



THE SOUTHERN GAS LTD.

Since 1963

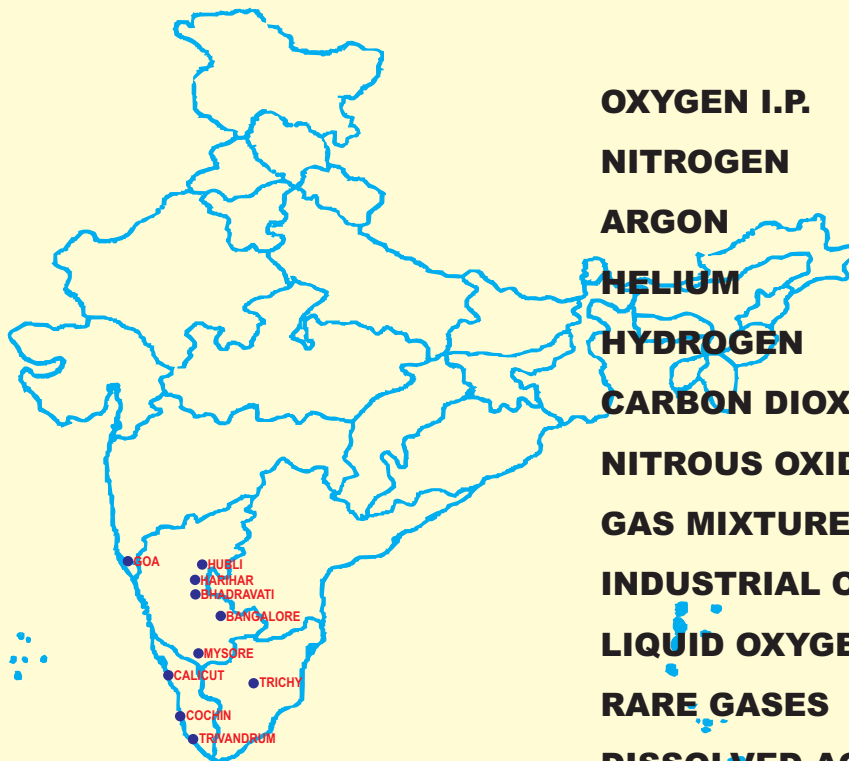
55th ANNUAL REPORT

2018 - 2019

THE SOUTHERN GAS LIMITED

- ★ **PUREST FORM OF OXYGEN / OTHER GASES**
- ★ **YEARS OF EXPERIENCE IN GAS INDUSTRY (SINCE 1963)**
- ★ **ISO CERTIFIED COMPANY**
- ★ **POPULAR AMONG MOST PRACTITIONERS**
- ★ **MOST RELIABLE, PROMPT IN SERVICE, CONSISTENT, COST EFFECTIVE, DELIVERING EXACT QUANTITIES, RIGHT, TO YOUR POINT OF USE.**
- ★ **NATION'S ONE OF THE LARGEST SUPPLIER OF GASES IN SOUTH, THERE'S SIMPLY NO BETTER SOURCE THAN THE SOUTHERN GAS LTD.**
- ★ **YOUR ECO-FRIENDLY COMPANY WITH UNIQUE DISTINCTION OF WATER HARVESTING SYSTEM.**

You Name it And We Have it



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
Bangalore-560 058. Tel No. 080-28395867/
28392325 Fax No. 080-23721456
E-mail : sglbng@southernngasindia.com

BHADRAVATI

Opp. Surgithope, Paper Town P.O.
Bhadravati-557 302.
Tel No. 08282-270561 Fax No. 08282 270397
R-mail : sglbdvt@southernngasindia.com

CALICUT

P.O. Kolathara, Calicut - 673 655
Kerala State, Tel No. 0495-2482311
Fax No. 0495-2905224
E-mail : sglclt@southernngasindia.com

COCHIN

Udyogamandal P.O. 683 501
Kerala State Tel No. 0484-2546895
2545971 / 6457798 Fax No. 0484-2545972
E-mail : sgludl@southernngasindia.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@sothernngasindia.com
Fax No. 08192-241656

HUBLI

Plot No. 274/1, Next to Durgadevi Temple
Tarihal Road, Post Gokul B.O. HUBLI - 580 030
Tel No. 0836-2310554 Fax No. 0836-2310554
E-mail : sglhbl@southernngasindia.com

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@southernngasindia.com
Fax No. 0821 - 2403680

TRICHY

S.F.No : 141/1A & 1C
Ayyampatti Main Road, Valavanthakottai
TRICHY - 620 015
Tel No. 0431-2731124, 2731125
E-mail : sgltr@southernngasindia.com

TRIVANDRUM

Plot No. 42, Kinfra Small Industries Park
St. Xavier's College, Thumba
Trivandrum - 695 586
Tel No. 0471-2705511 Fax No. 0471 - 2705738
E-mail : sgltvm@southernngasindia.com



THE SOUTHERN GAS LIMITED.

Regd. Office : Meera Classic, Phase II, Gogol, Borda, Margao - 403 602, Goa.
Tek.: 0832-2724863, 2724864. Fax : 0832-2724865.
Email : sglgoa@southernngasindia.com Website : www.southernngasindia.com

Book Post
Printed

55th Annual Report 2018-2019

If undelivered please return to :
THE SOUTHERN GAS LTD.
Meera Classic, Phase II,
Gogol, Borda, Margao - 403 602, Goa.



FROM THE DESK OF MANAGING DIRECTOR



Dear Shareholders,

I have great pleasure to present the Fifty Fifth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

Your Company's performance in this period of uncertainty reflects its ability to adapt quickly, plan appropriately and act effectively in an otherwise challenging environment.

In this context, I must sincerely acknowledge the trust and confidence you have placed in the Company during our entire journey. As always, we remain committed to pursuing growth opportunities not only ensuring expansion of our businesses but also creating value for all our stakeholders in a sustainable manner.

I also wish to express my gratitude to our stakeholders – customers for reposing their faith in us, employees whom we recognize as our core asset for their enthusiasm, devotion, Co- operation and commitment towards the quest of excellence and our Members of the Board for their valuable guidance and continuous support.

With this note, I, on behalf of the Board of Directors of The Southern Gas Limited present to you the Annual Report for the financial year 2018-19.

Gautam V. Pai Kakode
Managing Director

30th June, 2019



THE SOUTHERN GAS LIMITED

CIN:L31200GA1963PLC000562

BOARD OF DIRECTORS

MR. GAUTAM V. PAI KAKODE
MRS. YOGITA G. PAI KAKODE
MR. S. P. PATNEKAR
MR. M. S. KENY
MR. ANBUNATHAN MURUGAIAN
MR. PURUSHOTTAM S. MANTRI

CHIEF FINANCIAL OFFICER

MR. RAJEEV NAGARSENKAR

STATUTORY AUDITORS

M/S. LORENCE & SHANKAR,
CHARTERED ACCOUNTANTS,
MARGAO-GOA

REGISTRAR & SHARE TRANSFER AGENTS

M/s. BIGSHARE SERVICES PVT. LTD.
1ST FLOOR, BHARAT TIN WORKS BUILDING
OPP. VASANT OASIS, MAKWANA ROAD,
MAROL, ANDHERI EAST, MUMBAI - 400 059.
PHONE: 022 – 262638200/04
EMAIL: investor@bigshareonline.com
WEBSITE : www.bigshareonline.com

REGISTERED OFFICE

MEERA CLASSIC , PHASE II
GOGOL BORDA MARGAO - GOA
MARGAO-GOA 403602

UNITS

BANGALORE (KARNATAKA)
BHADRAVATI (KARNATAKA)
HARIHAR (KARNATAKA)
HUBLI (KARNATAKA)
MYSORE (KARNATAKA)
CALICUT (KERALA)
TRIVANDRUM (KERALA)
UDYOGAMANDAL (KERALA)

COMPANY SECRETARY

MR. GOURISH AROLKAR

SECRETARIAL AUDITOR

MRS. KRITIKA SATARDEKAR
PRACTICING COMPANY SECRETARY
MAPUSA- GOA

BANKERS

CORPORATION BANK
HDFC BANK

CONTACT INFORMATION

WEBSITE: www.southerngasindia.com
EMAIL : sglgoa@southerngasindia.com
PHONE : 0832 - 2724863



NOTICE

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Shareholders of THE SOUTHERN GAS LIMITED will be held on Thursday, 26th September, 2019 at 10.30 a.m. at the Registered Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa – 403602 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Motilal S. Keny (DIN: 06813111) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To consider appointment of Mr. Purushottam Mantri (DIN: 06785989) as an Independent Director of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary resolution**:

“RESOLVED THAT that pursuant to Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Purushottam Mantri (DIN 06785989), be and is hereby appointed as an Independent Director of the Company, to hold office for term of five consecutive years till 10th February, 2024.”

5. **To consider re-appointment of Mr. Sripad Patnekar (DIN:01939882) as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Mr. Sripad Patnekar (DIN: 01939882),be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 up to 24 September 2024.



6. Re-appointment of Mr.Gautam V. Pai Kakode (DIN:02395512) as the Managing Director and Key Managerial Personnel of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 196,197 and 203 and other applicable provisions if any , of the Companies Act 2013, as amended or re-enacted from time to time , read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014(including any statutory modifications or re-enactment thereof for the time being in force, approval of the Shareholders be and is hereby accorded for the re-appointment of Mr. Gautam Pai Kakode, (DIN: 02395512) as the Managing Director and Key Managerial Personnel of the Company for a period of Five years with effect from 1st February, 2020 to 31st January 2025, upon the terms and conditions including Remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General meeting , with the Authority to the Board of Directors to alter and vary the terms and conditions of the said appointment/ or remuneration as it may deem fit and as may be acceptable to Mr. Gautam Pai Kakode , subject to the same not exceeding the limits specified under Schedule V to the Companies Act , 2013 or any statutory modifications or re-enactment thereof.

“RESOLVED FURTHER that the Board be and is hereby authorised to do all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Except Mr. Gautam V. Pai Kakode, being appointee, and Mrs. Yogita Kakode none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 6 of this notice.

**By order of the Board of Directors
For The Southern Gas Limited**

**Gourish Arolkar
Company Secretary
ACS49336**

Dated: 30th May, 2019

Place: Margao-Goa



NOTES:

1. An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 with respect to the Special Businesses set out in the Notice is annexed hereto. The relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standards on General Meetings (SS-2) in respect of directors seeking appointment/re-appointment are furnished in the annexure and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM” OR “MEETING”) IS ENTITLED TO APPOINT THE PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy in order to be effective should be duly completed, stamped, signed and must be received by the Company not less than 48 hours before the scheduled time for holding the meeting. Proxies submitted on behalf of the Companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A blank proxy form is annexed to the annual report.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxy-holders are requested to carry an Identity Proof at the time of attending the meeting.

During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing of the intension so to inspect is given to the Company.

Only registered Members of the Company or any proxy appointed by such registered Member may attend and vote at the Meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/ she can participate in the Meeting but not vote.

Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.

Institutional members/Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to submit before the commencement of the Annual General Meeting a duly certified copy of their Board Resolution / Authority Letter authorizing their representative to attend and vote on their behalf at the meeting.

3. A route map giving directions to reach the venue of the Annual General Meeting is given at the end of the Annual Report.



4. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 20th September, 2019 to Thursday, 26th September, 2019 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting.
5. The final dividend of Rs. 40/- per equity share for the financial year ended 31st March, 2019, as recommended by the Board, if approved by the shareholders at the ensuing Annual General Meeting, is proposed to be posted on or after 7th October, 2019 to those members whose names appear as members in the Register of Members of the Company as at the end of the business hours on 19th September, 2019
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.
7. Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013 dividend which remains unclaimed or unpaid for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred by the company to Investor Education and Protection Fund (IEPF) constituted by Central Government pursuant to Section 125 of the Companies Act, 2013. Accordingly, in the year 2017-18 the Company had transferred Rs.11,190/- being the unclaimed dividend for the financial year ended 31st March, 2011 to the Investor Education and Protection Fund (IEPF) and no claim lies against the company in respect thereof.

The unclaimed dividend for the financial year 2011-2012 and all subsequent years will be transferred to the IEPF as per the (tentative) dates mentioned in the table given herein below:

Dividend for Financial year ended	Due date of transfer
31 st March, 2012	2 nd November, 2019
31 st March, 2013	2 nd November, 2020
31 st March, 2014	31 st October, 2021
31 st March, 2015	30 th October, 2022
31 st March, 2016	28 th October, 2023
31 st March, 2017	1 st November, 2024
31 st March 2018	5 th November 2025

8. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid/ unclaimed Dividends lying with the Company, for the financial years from 2011-2012 and onwards, as on 26th September, 2018 (date of last Annual General Meeting) under '**Investor Section**' on the website of the company viz. www.southerngasindia.com. Those Members who have, so far, not claimed their dividend for the years 2011-2012 and onwards may claim their unclaimed dividend, if any, by writing to the company immediately. Once the amount is transferred by the Company to the Investor Education & Protection Fund, no claim shall lie against the Company.
9. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto, all shares on which dividend has not been paid or claimed for seven



consecutive years or more shall be transferred to the DEMAT Account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF Account after complying with the procedure laid down under the IEPF Rules.

The Ministry of Corporate Affairs (MCA) on 16/10/2017 issued General Circular no 12/2017 notifying the due date as 31st October, 2017 for transfer of such shares on which the seven years period provided under subsection (5) of section 124 is completed for unpaid/unclaimed dividend during September 7, 2016 to October 31, 2017.

Accordingly, the Company vide corporate Action executed through the Company's RTA transferred all the shares, on which the dividends remained unpaid or unclaimed for seven consecutive years with financial year 2008-2009 as the base year with reference to the due date of 31st October, 2017, after following the prescribed procedure to the DEMAT account of the IEPF authority held with NSDL.

Further, the details of all the shareholders whose shares have been transferred to the DEMAT account of the IEPF authority are uploaded under “**Investor Section – IEPF tab**” on the website of the Company www.southerngasindia.com.

The Members/claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The access link depicting the complete procedure for claiming the shares transferred has been provided under “**Investor Section – IEPF tab**” on the website of the Company www.southerngasindia.com.

Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from 2011-2012 are requested to claim the same immediately. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules.

10. Your Company has appointed **Bigshare Services Pvt. Ltd. (“Bigshare”)** as the Share Transfer Agent for physical segment. Bigshare also acts as the depository registrar for establishing connectivity with NSDL and CDSL for demat segment.

Shareholders are requested to send their share transfer and all other requests and complaints to Bigshare Services Pvt. Ltd. at the following address:

Bigshare Services Pvt. Ltd., Unit: The Southern Gas Limited, 1st Floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol Andheri East, Mumbai- 400059. Phone no: 022-262638200, Fax No: 022-062638299, Email: investor@bigshareonline.com.

11. The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the Shareholders to dematerialize their shareholding in the Company. The shareholders may contact the Depository Participant of either of the above Depositories to dematerialize their shares.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact Bigshare Services Pvt. Ltd. for assistance in this regard.



13. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Bigshare Services Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to our RTA M/s. Bigshare Services Pvt. Ltd.
14. The securities and Exchange Board of India (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 the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the Company's RTA.
15. Pursuant to Section 72 of the Companies Act, 2013 members holding shares in physical form and wishing to make / change a nomination in respect of their shareholding in the Company may submit the prescribed particulars in Form No. SH -13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination), to the Company or the Company's RTA. Members are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.southernogasindia.com.
16. Physical copies of the Annual Report for FY 2018-19, Notice of the 55th Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip/Proxy Form is being sent to all the members by permitted mode.

Members may also note that the Notice of the 55th AGM and the Annual Report for FY 2018-19 will be available on the Company's website, www.southernogasindia.com.
17. In the light of the recent green initiative of the Government of India those members who have not yet registered their email id's are requested to register their email IDs with their depository participants in case of shares held in dematerialise, form and those members holding shares in physical form to register their email id's with the R & T agent. We urge upon you to register the email id on priority and help the Company to support the nation in the green initiative
18. Relevant documents and registers will be available for inspection by the members at the registered office of the Company on the date of AGM.
19. 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 from time to time and Regulation 44 of the SEBI (LODR) Regulations, 2015 (Listing Regulations), the Company is pleased to provide its members voting by electronic means (e-voting from a place other than venue of the AGM) to exercise their right to vote on the resolutions set forth in the notice convening the 55th Annual General Meeting (AGM) and the business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The instructions to members for voting electronically are as under:-

The voting period begins on Monday 23rd September, 2019 at 09:00 a.m. and ends on Wednesday 25th September, 2019 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Thursday, 19th



September, 2019 (“Cut-Off date”) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID;
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 Digit client ID,
 - c. Members holding shares in Physical form should enter the folio number which is printed on the sticker affixed on the proxy form.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) As a first time user, follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company /Depository are requested to use first two letters of their name and 8 digit of the folio number (which is printed on the sticker affixed on the Proxy Form) indicated in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the folio number (which is printed on the sticker affixed on the Proxy Form) in the Dividend Bank details field as mentioned in the instruction (iii).



- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in the Physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter the 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.
- (ix) For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of The Southern Gas Limited.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If the Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General instruction for voting on Resolution:

- i. The facility of voting through poll paper shall also be made available for the members at the AGM venue. Members attending the meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the AGM. Poll papers will be distributed at the AGM to enable such shareholders to cast their vote.
 - ii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM. The facility to vote by electronic voting system will not be provided at the AGM venue.
 - iii. A member can opt for only one mode of voting, i.e. either by e-voting or through poll papers. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the poll paper of that member shall be treated as invalid.
 - iv. The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the Meeting) shall be in proportion to their share of the paid-up equity share capital of the Company as on 19th September, 2019 (“Cut-Off Date”). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
 - v. Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 19th September, 2019 should follow the same procedure for e-voting as mentioned above or may contact company’s RTA.
20. The Company has designated sglgoa@southern Gasindia.com as an email id for quick redressal of Shareholders/investors grievances.
 21. Mr. Shivaram Bhat, Practicing Company Secretary (Membership No ACS 10454) has been appointed by the Board of Directors as the Scrutinizer to scrutinize the e-voting process as well as voting through poll paper at the AGM, in a fair and transparent manner.
 22. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three



days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.southern Gas india.com and on the website of CDSL e-voting www.evotingindia.com immediately after the result is declared by the Chairman. The Company shall simultaneously forward the results to the BSE Limited, where the securities of the company are listed.
24. Subject to the receipt of requisite No. of Votes, the Resolutions shall be deemed to be passed on date of the AGM i.e. September 26, 2019
25. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection at the Administrative Office of the Company during business hours on all working days upto the date of Annual General Meeting.

**By order of the Board of Directors
For The Southern Gas Limited**

**Dated: 30th May, 2019
Place: Margao-Goa**

**Gourish Arolkar
Company Secretary
ACS 49336**



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No 4:

The Board of Directors, at its meeting held on 11th February, 2019, approved the appointment of Mr. Purushottam Mantri (DIN: 06785989) as an Additional Director in the category of Independent Director on the Board of the Company with effect from 11th February, 2019 for a term of 5 consecutive years subject to approval of members at ensuing Annual general meeting .

Pursuant to section 161 Companies Act, 2013 the Nomination and Remuneration Committee and also the Board of Directors have recommended the candidature of Mr. Purushottam Mantri for the office of Independent Director in terms of the provisions of sections 149, 150 and 152 of the Companies Act, 2013.

Mr. Purushottam Mantri has consented to act as an Independent Director of the Company. He has also given required consent/intimation as per Companies (Appointment and Qualifications of Directors) Rules, 2014 and declaration to the Board that he meets the criteria of Independence as required under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Purushottam Mantri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 for the appointment as Independent Director of the Company and he is independent of the management. Mr. Purushottam Mantri's professional expertise, significant experience and perspectives will be very helpful in the Company's future journey. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Director.

A copy of the letter of appointment of Mr. Purushottam Mantri as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the AGM.

The details of Mr. Purushottam Mantri, as required pursuant to the SEBI (LODR) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), are given in Annexure attached to this Notice.

Accordingly, the Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the shareholders of the Company.

Except Mr. Purushottam Mantri, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4 of this notice. Mr. Purushottam Mantri is not related to any of the directors of the Company.

ITEM No. 5

After Considering the performance evaluation of Mr. Sripad Patnekar, the Board of Directors at its meeting held on May 30,2019 considered and proposed the re-appointed Mr. Sripad Patnekar as an Independent Director for a second term of 5(five) consecutive years with effect from 25th September 2019 to 24th



September 2024 based on the nomination for his appointment as Director received from a member. Mr. Sripad Patnekar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

Pursuant to the provisions of regulation 17(1A) of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

At present Mr. Sripad Patnekar has completed 72 years of age. Considering the above mentioned scenario and the resolution proposed to be passed at this AGM, the appointment made (resolution passed) at this AGM would suffice the requirement of the provisions of Listing Regulations, 2015 and Mr. Sripad Patnekar would continue to hold the office of independent director of the Company till the end of his term as mentioned in the above resolution. Further, if any other formality or documentation is required to be complied with, than the company would comply the same at that point of time.

Since Mr. Patnekar has long time association with the Company and his expertise in the field of law has helped the Company to overcome the difficulties faced strategically. The Board is of the opinion that his association with Company is in the best interest of the Company.

Except Mr. Sripad Patnekar, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 5 of this notice. Mr. Sripad Patnekar is not related to any of the directors of the Company.

ITEM No. 6

Mr. Gautam Pai Kakode was appointed as Managing Director by the Shareholders at the Fiftieth Annual General Meeting held on 25th September, 2014 for a period of three years i.e from 1st February, 2014 to 31st January, 2017. And Second term as Managing Director from 1st February, 2017 to 31st January, 2020 .

Considering his performance as Managing Director and significant growth of the Company under his leadership the Board of Directors at their meeting held on 30th May 2019, have proposed to appoint Mr. Gautam Pai Kakode, as Managing Director and Key Managerial Personal of the Company for a further term of 5 years effective from 1st February, 2020 up to 31st January, 2025 with remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board, subject to the approval of the members at the general meeting.

Accordingly, the approval of members is sought for the appointment of and payment of remuneration to Mr. Gautam Pai Kakode as Managing Director and Key Managerial Personnel in terms of applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Mr. Gautam Pai Kakode are as under:



1. SALARY

A Consolidated salary of Rs. 5, 00,000/- (Rupees Five Lakhs only) per month, including dearness and all other allowances.

2. PERQUISITES & ALLOWANCES:

Company will contribute to Provident, Superannuation and Gratuity funds on account of Mr. Gautam Pai Kakode on the same basis as other employees. Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits of remuneration or perquisites as aforesaid. Mr. Gautam Pai Kakode will be entitled to leave according to Company's Leave Rules applicable to other employees. Car for use on Company's business and telephone at residence shall not be considered as perquisites.

The Managing Director will not be entitled to any perquisites, benefits and allowances other than what has been stated herein.

3. MINIMUM REMUNERATION:

Notwithstanding anything contained herein, where in any financial year, during the currency of tenure of office, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Managing Director as stated in Para 1 and 2 above as minimum remuneration.

The Letter of appointment of Mr. Gautam Pai Kakode, as Managing Director contain inter alia, all terms and conditions of his appointment with a provision that the appointment can be terminated by either party by giving a prior notice of at least 30 days in writing, unless waived by the parties with mutual consent.

**By order of the Board of Directors
For The Southern Gas Limited**

**Dated: 30th May, 2019
Place: Margao-Goa**

**Gourish Arolkar
Company Secretary
ACS 49336**



ANNEXURE TO THE NOTICE

1. Particulars and additional information of the Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standards on General Meetings (SS-2):

Name of the Director	Purusotham Mantri	Motilal S. Keny	Stripad Patnekar	Gautam V. Pai Kakode
DIN	06785989	01587954	1959882	02395512
Category	Independent Director	Director	Independent Director	Director
Age	61 years	71 years	72 years	49 years
Date of First Appointment on Board	11 th February, 2019	31 st January, 2011	18 th January, 2002	29 th October 2008
Nature of Expertise/ Experience in specific functional area	Company Laws and Related matters	Corporate Management	Legal management	Business Development And Management
Directorship in other Companies	NIL	1. Malabar Oxygen Co. Pvt. Ltd. 2. Bangalore Oxygen Co. Pvt. Ltd.	NIL	1. Malabar Oxygen Co. Pvt. Ltd. 2. Bangalore Oxygen Co. Pvt. Ltd. 3. Foods and Beverages (India) Pvt. Ltd
Number of the Meetings of the Board attended during the year 2018-19	01	01	04	04
Membership of the Committees of the Board of other companies	1. Audit Committee 2. Nomination & Remuneration Committee	1. Stakeholder Relationship Committee	1. Audit Committee 2. Nomination & remuneration Committee	1. Audit Committee 2. Nomination & remuneration Committee
Number of shares held in the Company	NIL	NIL	NIL	5550
Relationship with other directors inter-se	Not related	Not related	Not related	Spouse of Yogita G Pai Kakode (Non-Executive Director)
Terms and Conditions of Appointment or reappointment along with remuneration	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board / Committee	As a Non-Executive Director, he is entitled to sitting fees for attending meetings of the Board / Committee.	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board / Committee	As a Managing Director, he is entitled to Salary of Rs.5,00,000/- per month and other benefits as per agreement



BRIEF PROFILE OF MR. PURUSHOTTAM MANTRI

Mr. Purushottam Mantri, Graduated in Commerce from University of Bombay in 1978. He holds a degree in LL.B (Bachelor of Laws) from University of Bombay in 1982. He is also Fellow Member of The Institute Of Company Secretaries Of India.

Mr. Purushottam Mantri is a Corporate Consultant having immense knowledge and experience in dealing with matters relating to Company Law, Legal Due Diligence, Transaction Documents, Joint Ventures, Foreign Collaborations, Mergers and Acquisitions, Listing and Capital market Transactions.

Mr. Purushottam Mantri has worked with various reputed Companies including Thomas Cook Limited- Mumbai, Roche Products Limited- Mumbai, NGL Fine Chem - Limited- Mumbai, MTZ Polyester Limited – Mumbai.



DIRECTORS' REPORT

Dear Members,

Your Directors place before you the 55th Annual Report of the Company together with statement of Accounts for the Financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

Rs. in Lakhs

Particulars	F.Y. 2018-19	F.Y. 2017-18
Income		
Revenue from Operations	3115.71	2733.21
Other Income	69.13	87.81
Expenses	3073.46	2656.76
Profit Before Depreciation & Taxation	278.58	164.26
Less:		
Depreciation	167.20	158.17
Profit Before Tax (PBT)	111.38	6.09
Less:		
Provision for Taxation		
Current tax	39.81	3.00
Deferred Tax	25.18	(6.55)
Profit after Tax (PAT)	46.39	9.64
Other Comprehensive Income	(1.02)	0.19
Total Comprehensive Income for the year	45.37	9.83



2. OPERATIONS:

Revenue from operations for the year ended 31st March, 2019 was Rs. 3115.71 lakhs compared to Rs. 2733.21 lakhs for the year ended 31st March, 2018. During the year under review the revenue from operations has risen by 382.5 lakhs mainly on account of higher sales. There is increase in turnover and corresponding proportionate increase in gross profit.

3. DIVIDEND AND TRANSFER TO GENERAL RESERVE:

Your Directors recommend a Dividend of 40 percent (Rs. 40/- per equity share) for the financial year ended 31st March, 2019 as compared to 25 percent (Rs. 25/- per equity share) paid in the previous year.

An amount of Rs. 20 Lakhs has been transferred to the General Reserve for the period under review.

4. SHARE CAPITAL

The paid-up Equity Share Capital as at 31st March, 2019 stood at Rs 22, 50,000/- During the year under review, the Company has not issued any further shares.

5. LISTING OF SHARES:

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

6. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public in the past or during the year under the provisions of the Act and the rules framed thereunder.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review ;

- a) Mr. N. R. Prabhu (DIN: 00131108) : resigned as Independent Director of the Company with effect from 11th February 2019.
- b) Mr. J. V. Gaitonde (DIN: 00130936) : resigned as Independent Director of the Company with effect from 10th August 2018.

Mr. Motilal S. Keny (DIN: 06813111) retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Purushottam S. Mantri (DIN:06785989) was appointed as Additional Director of the Company in the category of Independent Director w.e.f. 11th February, 2019 for a term of period of 5 consecutive years upto the 10th February, 2024, subject to the approval of the members at the ensuing Annual General Meeting.

Mr. Gautam Pai Kakode, Managing Director (DIN 02395512) completes his term as the Managing Director on 31st January, 2020. Considering his performance as Managing Director and significant growth of the Company under his leadership, the Board of Directors at their meeting held on 30th May, 2019, have proposed to appoint Mr. Gautam Pai Kakode, as Managing Director of the Company for a further term of 5 years effective from 1st February, 2020 to 31st January, 2025, subject to the approval of the members at the general meeting.



Appropriate resolutions for the appointment of the Directors are being placed for the approval of the shareholders at the ensuing Annual General Meeting. Your Directors recommend the appointment of the aforesaid Directors by the Members at the ensuing Annual General Meeting. The requisite details in this connection are contained in the notice convening the 55th Annual General Meeting.

Mrs. Geeta Prabhudesai resigned as Chief Financial Officer (CFO) w.e.f. 28th January, 2019 and the Board appointed Mr. Rajeev Nagarsenkar as the Chief Financial Officer (KMP) w.e.f. 11th February, 2019. Mr. Aniket Karmali resigned as the Company Secretary w.e.f. 10th August, 2018 and the Board appointed Mr. Gourish Arolkar as the Company Secretary w.e.f. 12th November 2018.

8. MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, the Board of Directors of the Company met 4 (Four) times on 28th May, 2018, 10th August, 2018, 12th November, 2018, and 11th February, 2019.

The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations, 2015.

9. INDEPENDENT DIRECTORS 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.

10. INDEPENDENT DIRECTORS MEETING:

During the year under review, an Independent Directors meeting was held on 11th February 2019 in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new / revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to the senior management officials. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strength the same. The Company has a robust Management Information System which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective action taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.



12. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 in the Annual General Meeting held on 26th September, 2017, M/s Lorence & Shankar, Chartered Accountants (Firm Registration No. 112761W), were appointed as statutory auditors of the Company to hold office for a period of 5 years commencing from the conclusion of the 53rd AGM till the conclusion of the 58th AGM, subject to ratification by the Shareholders at every AGM.

In view of the statutory modification brought into force in Section 139 of the Companies Act, 2013 as amended vide Companies Amendment Act, 2017 effective from 7th May, 2018; there is no requirement of ratification of appointment of Auditors at every AGM.

13. STATUTORY AUDITORS' REPORT AND OBSERVATIONS:

The reports of the Statutory Auditors, M/s Lorence & Shankar, Chartered Accountants on the financial statements of the Company for the year ended on 31st March, 2019 form part of this Annual Report. The statutory auditors have submitted an unmodified opinion on the audit of financial statements for the FY 2018-19.

The Notes on Financial Statements referred to in the Auditors Reports are self-explanatory and do not call for any comments and explanation.

There is no qualification, reservation, adverse remark or disclaimer made by the Auditors' in their Report.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

14. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules thereunder, the Board of Directors of the Company appointed Mrs. Kritika Satardekar, Practicing Company Secretary to conduct the Secretarial Audit of the Company for the FY 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 forms a part of this Annual Report. The same is self-explanatory and requires no comments.

15. COMMITTEES:

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular interval, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board for their noting.



The Board has currently the following Committees:

(A) AUDIT COMMITTEE:

The Company complies with section 177 of the Companies Act, 2013 as well as requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) pertaining to the Audit Committee.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal control systems, reviewing the quarterly, half-yearly, and annual financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, review of Forex Policy, Management Discussion & Analysis of financial condition and results of operations, review of Internal Audit Reports, significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice

Composition, names of members and Chairperson, its meetings and attendance:

The Audit Committee met four times during the financial year 2018-19 on 28th May, 2018, 10th August, 2018, 12th November, 2018 and 11th February, 2019.

The composition and attendance of each member at the meeting of the Audit Committee is given below:

Name of the Director	Position	Category	Meetings Held	Meetings attended
Mr. Ranganath N. Prabhu	Chairman ***	Independent Director	4	2
Mr. Sripad P. Patnekar	Member/ Chairman	Independent Director	4	4
Mr. Gautam Pai Kakode	Member	Managing Director	4	4
Mr. Jayendra V. Gaitonde*	Member	Independent Director	4	2
Mr. Anbunathan Murugaian **	Member	Independent Director	2	2

* Mr. J. V. Gaitonde resigned from Audit Committee w.e.f. 10th August, 2018.

** Mr. Anbunathan Murugaian was inducted into the Audit Committee w.e.f. 12th November 2018

*** Mr. N.R Prabhu resigned from the Audit Committee w.e.f. 11th February 2019



(B) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) & (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) as also the requirement laid down in Section 178 of the Companies Act, 2013.

Terms of Reference:

The Board has framed the Nomination and Remuneration Committee Charter which ensures effective compliance of Section 178 of the Companies Act, 2013 and Regulation 19(1)&(2) of the Listing Regulations. The Board has clearly defined terms of reference for the Remuneration and Nomination Committee, which are as follows:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director (s) and Senior Management (one level below the Board);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Director (s) the restrictions contained in the Companies Act, 2013 is to be considered.
- To create an evaluation framework for Independent Directors and the Board;
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

Composition, names of members and Chairperson, its meetings and attendance:

The Nomination and Remuneration Committee met three times during the financial year 2018-19 on 10th August, 2018, 12th November 2018 and 11th February, 2019.

The composition and attendance of each member at the meeting of the Nomination and Remuneration Committee is given below:

Name of the Director	Position	Category	Meetings Held	Meetings Attended
Mr. Ranganath N. Prabhu	Chairman	Independent Director	3	1
Mr. Sripad P. Patnekar	Member	Independent Director	3	2
Mr. Jayendra V. Gaitonde	Member	Independent Director	3	2
Mr. Anbunathan Murugaian	Member	Independent Director	3	2



(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and also of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”).

Terms of reference:

The Committee is empowered to consider and approve the physical transfer/transmission/ transposition of shares, issue of new/duplicate share certificates and oversees and reviews all matters connected with securities transfer. The Committee also specifically looks into the redressal of shareholders' and investors' complaints/ grievances pertaining to transfer/transmission of shares, non-receipt of share certificates, non-receipt of annual report and non-receipt of dividend warrants etc.

Composition of the Committee and the attendance details of the members are given below:

The Stakeholders Relationship Committee met only once during the financial year 2018-19 on 11th February, 2019.

Name of the Director	Position	Category	Meetings Held	Meetings Attended
Mr. Jayendra V. Gaitonde	Chairman	Independent Director	1	0
Mr. Sripad P. Patnekar	Member	Independent Director	1	1
Mr. Motilal S. Keny	Member	Non-Executive Director	1	1
Mr. Anbunathan Murugaian	Member	Independent Director	1	1

During the year under review the Company did not receive any complaints from the Shareholders and investors.

16. CODE OF CONDUCT:

In terms of Regulation 17(5) of the Listing Regulations, the Company has adopted the Code of Conduct for the Board Members and Senior Management of the Company which has been posted on the Company's website www.southernngasindia.com. Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

17. RELATED PARTY TRANSACTIONS:

All Related Party Transactions (RPT) are done on an arm's length basis and in the ordinary course of business and therefore the provisions of Section 188 of the Companies Act, 2013 are not attracted. All RPTs are placed before the Audit Committee as well as the Board.



All RPTs entered during the year under review by the Company are in ordinary course of business and on arm's length basis. No material RPTs were entered during the financial year. Accordingly, the disclosure required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

By virtue of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Regulation 23 pertaining to RPTs are not applicable to the Company.

18. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company www.southerngasindia.com.

19. NOMINATION AND REMUNERATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel of the Company. This policy also lays down criteria for selection and appointment of Board Members.

A) Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B) Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director and Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of Remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of the Managing Director and Whole-time Directors comprises of salary, perquisites, allowances and contributions to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings.

Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.



The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

Presently, the Company does not have a scheme for grant of stock options or performance linked incentives for its Directors.

20. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, is included in this Report as Annexure 'A' and forms an integral part of this Report.

The Extract of the Annual Return Shall be available on the website of the Company.

21. BOARD EVALUATION:

The Annual evaluation all the directors including the independent directors and Chairperson, various Committees, and the Board as whole was carried out in the manner prescribed in the provisions of the Companies Act, 2013, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on 5th January 2017.

The performance evaluation of the Independent directors was carried out by the entire Board of Directors excluding the Director being evaluated based on the criteria covering aspects such as independence, Independent views and judgment, contribution to the meetings, commitment, integrity, availability and attendance etc. The performance of the Committees was evaluated by the Board on the basis of criteria such as mandate and composition, effectiveness of the committee, structure of the committee and meetings, independence of the committee from the Board and contribution to decisions of the Board. Independent Directors in their separate meeting held, reviewed the performance of the Non- Independent Directors, the performance of Board as a whole and the performance of the Managing Director of the Company, taking into account the views of the executive and non-executive directors. The criteria for performance evaluation of the non-independent Directors included aspects like contribution to the Board or committee meetings, attendance, preparedness on the issues to be discussed, participation in the discussions, integrity etc. The evaluation of the Managing Director included aspects such as Effectiveness of leadership and ability, impartiality, commitment, ability to manage shareholders interest etc. the performance of the Board as a whole was carried out based on the criteria which included aspects such as Board structure and composition, Board diversity, frequency and regularity of meetings, effectiveness of Board processes, information and functioning, etc.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors.

The Board in their meeting discussed the performance of the Board, its Committees and individual Directors including the Independent Directors.

The evaluation of the annual performance of individual directors including the Chairman of the Board and Independent Directors, Board as a whole and Committees of the Board was carried out by questionnaires.

Based on above criteria, the performance of the Board, various Board Committees, Managing Director and Individual Directors (including Independent Directors) was found to be satisfactory.



22. RISK MANAGEMENT:

With reference to the provisions of Section 134 (3)(n) of the Companies Act, 2013 the Board of Directors has developed a risk management plan of the Company and had identified the key risk areas where the Company's business is vulnerable.

Some of the risks that the Company is exposed to are:

- a) Financial Risks
- b) Commodity Price Risks
- c) Regulatory Risks
- d) Human Resources Risks

Risk management, by and large involves reviewing the operations of the organization followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The risk management process involves identifying the risks an organization is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate correction action.

23. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (5) of the Companies Act, 2013:

- That in the preparation of the Annual Accounts for the year ended 31st March, 2019; the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profits of the Company for the year ended on that date.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the Annual Accounts on a going concern basis.
- That the Directors have laid down internal financial controls to be followed and that such internal controls are adequate and are operating effectively.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



24. CORPORATE GOVERNANCE:

By virtue of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions are not applicable to the Company.

25. ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned compliances, environmental regulations and preservation of natural resources.

26. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the internet for the benefit of employees. During the year under review, neither any complaints of sexual harassment were received by the Board nor were there any complaints relating thereto which required any disposal thereof.

27. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organisational Development. This is a part of Corporate HR function and is a critical pillar to support the organisation's growth and sustainability in the long run.

28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures as required under Section 197 (12) of the Companies Act, 2013 read with Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019 is given in Annexure B to this Report.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review there were no transactions attracting provisions of Section 186 of the Companies Act, 2013.



30. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (accounts) Rules, 2014 is annexed herewith as Annexure – C to this Report.

31. MISCELLANEOUS:

- The provisions of CSR are not applicable to the Company.
- There are no significant and material orders passed against the Company by any regulating authority or court or tribunal affecting the going concern status and Company's operation in future.
- The company does not have any subsidiary company.
- There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.
- The Company has complied with the applicable Secretarial Standards.

32. CAUTIONARY STATEMENT

This report contains forward looking statements that involve risks and uncertainties. Actual results, performing or achievement could differ materially from those expressed or implied in such forward looking statements. 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.

33. APPRECIATION / ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation for the excellent performance of the employees at all levels as without their hard work and support your Company's achievements would not have been possible. The Board also wish to express its sincere appreciation for the valuable support and co-operation received from Central and State Government Authorities, Stock Exchanges, Financial Institutions and Banks during the year. They also wish to thank company clients, vendors, investors, agents and suppliers for their continued support and faith reposed in the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARGAO-GOA
30th MAY, 2019

GAUTAM V. PAI KAKODE
MANAGING DIRECTOR
DIN: 02395512

MOTILAL S. KENY
DIRECTOR
DIN: 06813111



ANNEXURE A TO THE DIRECTOR'S REPORT

FORM NO. 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 31.03.2019

I REGISTRATION & OTHER DETAILS

1.	CIN	L31200GA1963PLC000562
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 st Floor, Bharat Tim 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	59.93
2	Nitrous Oxide	21009	30.67

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
NIL					

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 st April, 2018)				No of shares held at the end of the year (As on 31 st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual	3976	7130	11106	49.36	11106	0	11106	49.36	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	0	3300	3300	14.67	320	3380	3700	16.44	1.77
e) Banks/FI	0	0	0	0	0	0	0	0	Nil

f) Any other	0	0	0	0	0	0	0	0	Nil
Subtotal (A) (1)	3976	10430	14406	64.03	11426	3380	14806	65.8	1.77
2) Foreign	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
Subtotal (A) (2)	0	0	0	0	0	0	0	0	Nil
Total shareholding of Promoter (A) – (A) (1)+(A) (2)	3976	10430	14406	64.03	11426	3380	14806	65.8	1.77
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	Nil
b) Banks / FI	0	535	535	2.37	0	535	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) FIIs	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
Sub-total (B) (1)	2600	535	3135	13.93	2600	535	3135	13.93	Nil

Category of Shareholders	No of Shares held at the beginning of the year (As on 1 st April , 2018)				No of shares held at the end of the year (As on 31 st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp									
i) Indian	0	210	210	0.93	0	210	210	0.93	Nil
ii) Overseas	0	0	0	0	0	0	0	0	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	520	4133	4653	20.68	535	3717	4252	18.89	1.79
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	Nil
c) Others (specify)									
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	96	0	96	0.43	97	0	97	0.43	Nil
Sub-total (B) (2)	616	4343	4959	22.04	632	3927	4559	20.26	(1.78)

Total Public Shareholding (B)=(B)(1)+(B)(2)	3216	4878	8094	35.97	3232	4462	7694	34.19	(1.78)
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	7192	15308	22,500	100%	14658	7842	22,500	100%	Nil

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	5550	24.67	0	5550	24.67	0	Nil
3	Foods & Beverages (India) Pvt. Ltd	3300	14.67	0	3300	14.67	0	Nil
4	Bangalore Oxygen Company Pvt. Ltd	0	0	0	400	1.77	0	1.77
	Total	14406	64.03	0	14806	65.8	0	Nil

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 01/04/2018	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2019	--	--	5556	24.69
2	Gautam Pai Kakode				
	At the beginning of the year 01/04/2018	5550	24.67	5550	24.67
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2019	--	--	5550	24.67
3	Foods & Beverages (India) Pvt. Ltd				
	At the beginning of the year 01/04/2018	3300	14.67	3300	14.67
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2019	--	--	3300	14.67
4	Bangalore Oxygen Company Pvt. Ltd				
	At the beginning of the year 01/04/2018	--	--	400	1.77
	Date	22/11/2018			
	Increase / Decrease	Increase	400	1.77	400
	Reason	Purchase			
	At the end of the year 31/03/2019	--	--	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 01/04/2018	1500	6.67	1500	6.67
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2019	--	--	1500	6.67
2	Oriental Insurance Co. Ltd				
	At the beginning of the year 01/04/2018	1100	4.89	1100	4.89
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2019	--	--	1100	4.89
3	Syndicate Bank				
	At the beginning of the year 01/04/2018	535	2.38	535	2.38
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			535	2.38
4	Shri Suhas Narainva Pai Angle				
	At the beginning of the year 01/04/2018	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2018			500	2.22
5	Shri Vilas Narainva Pai Angle				
	At the beginning of the year 01/04/2018	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			500	2.22
6	Shri Bhagwant Krishna Naik				
	At the beginning of the year 01/04/2018	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			435	1.93
7	Shri Upendra Krishna Naik				
	At the beginning of the year 01/04/2018	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			500	2.22
8	Shri Keshav Krishna Naik				
	At the beginning of the year 01/04/2018	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			500	2.22
9	Piyush Varaiya				
	At the beginning of the year 01/04/2018	205	0.91	205	0.91
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2019			205	0.91

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
	Yogita Pai Kakode				
1	At the beginning of the year 01/04/2018	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2019	--	--	5556	24.69
	Gautam Pai Kakode				
	At the beginning of the year 01/04/2018	5550	24.67	5550	24.67
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2019	--	--	5550	24.67

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



V. 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	50.70	-	-	50.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50.70	-	-	50.70
Change in indebtedness during the financial year				
Addition	47.31	-	-	47.31
Reduction	-	-	-	-
Net Change	47.31	-	-	47.31
Indebtedness at the end of the financial year				
i) Principal Amount	98.01	-	-	98.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	98.01	-	-	98.01



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
		Gautam V. Pai Kakode Managing Director
Gross salary		
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000
b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
c. 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	Nil	Nil
-others, specify		
Others, please specify		
Contribution to Provident Fund	21,600	21,600
Total (A)	60,21,600	60,21,600



B. Remuneration to other Directors:-

(Amount in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount	
	Jayendra V. Gaitonde Upto 10.8.2018	Sripad P. Patnekar	Ranganath N. Prabhu Upto 11.2.2019	Anbunathan Murugaian	Purushottam mantri w.e.f 11.2.2019	Total Amount
Fee for attending Board /committee meetings	3,000	12,000	3,000	12,000	3,000	33,000
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	3,000	12,000	3,000	12,000	3,000	33,000
Other Non-Executive Directors	Yogita G. Pai Kakode	Motilal S. Keny				
Fee for attending Board /committee Meetings	12000	12000				24,000
Commission	Nil	Nil				Nil
Others, please specify	Nil	Nil				Nil
Total (2)	12,000	12,000				24,000
Total (B) (1+2)						57,000



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

(Amount in Rs.)

Particulars of Remuneration	Key Managerial Personnel				Total
	Geeta Prabhudesai CFO* Upto 11.02.2019	Aniket Karmali CS Upto 10.08.2018	Rajeev Nagarsenkar CFO W.e.f 11.2.2019	Gourish Arelkar CS w.e.f. 12.11.2018	
Gross Salary					
(a) Salary as per provisions contained in section 17 (1) of the Income Tax act, 1961	292,884	319,233	61,967	1,76,753	850837
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
(c) Profits in lieu of salary u/s 17 (3) of the Income Tax act, 1961	Nil	Nil	Nil	Nil	Nil
Stock option	Nil	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil
-as % of profit	Nil	Nil	Nil	Nil	Nil
-others, specify	Nil	Nil	Nil	Nil	Nil
Others, please specify					
Employer's Contribution to Provident Fund	19,800	8,478	3,600	12,496	44374
Other Benefits	7,824	2,666	3152	8509	22151
Total	320,508	330,377	68,719	197,758	917,662



VII. 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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
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

MARGAO-GOA
30th MAY, 2019

GAUTAM V. PAI KAKODE
MANAGING DIRECTOR
DIN: 02395512

MOTILAL S. KENY
DIRECTOR
DIN: 06813111

ANNEXURE – B 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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

(Amount in Rs.)

Sr. No.	Name of Director / KMP and Designation	Designation	Remuneration paid in FY 2018-19	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Gautam V. Pai Kakode	Managing Director	60,21,600	Nil	17.72 :1
2.	Mrs. Yogita G. Pai Kakode*	Director	12,000*	Nil	Nil
3.	Mr. N.R. Prabhu*##	Independent Director	3,000*	Nil	Nil
4.	Mr. S. P. Patnekar*	Independent Director	3,000*	Nil	Nil
5.	Mr. J. V. Gaitonde#	Independent Director	12,000*	Nil	Nil
6.	Mr. M. S. Keny*	Non-Executive Director	12,000*	Nil	Nil
7.	Mr. Purushottam Mantri	Independent Director	3,000*	Nil	Nil
8.	Mr. Anbunathan Murugaian*	Additional Director (Independent)	12,000*	Nil	Nil
9.	Mrs. Geeta S. Prabhudesai***	CFO	292,884	Nil	N.A.
10.	Mr. Aniket Karmali****	Company Secretary	121,529	Nil	N.A.
11.	Rajeev Nagarsenkar	CFO	61,967	Nil	N.A.
12.	Gourish Arolkar###	Company Secretary	1,76,753	Nil	N.A.

* Paid sitting fees for attending Board Meetings.

** Mr. Purushottam Mantri was appointed as Additional Director (Independent) w.e.f. 11th February, 2019.

*** Mrs. Geeta S. Prabhudesai resigned as CFO w.e.f. 28th January, 2019.

Mr J. V. Gaitonde has resigned w.e.f. 10th August 2018

Mr. N. R Prabhu has Resigned w.e.f. 11th February 2019

Gourish Arolkar was appointed as CS w.e.f. 11 November 2018

**** Aniket Karmali has resigned w.e.f. 10th August 2018



- ii) The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2018-19 was 22.8%
- iii) There were 119 permanent employees on the rolls of the Company as on 31st March, 2019.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 28.22% whereas the increase in the managerial remuneration for the same financial year was 60.62 %.
- v) 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 31st March, 2019.

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

Sr. No.	Name of the Employee	Designation
1	Shashikant Reddy Devaramani	Business Development Manager
2	Sadananda Pai. H	Sr.Works Manager
3	James Balu	II. R. Manager
4	M.Satheesh Prabhu	Plant engineer
5	K.R. Haridas	Asst. Operator
6	Rajeev P. Shenvi Nagarsenkar	Manager Accounts
7	Sunilkumar N.K	Asst. Operator
8	Sajan T. Mani	Operator
9	M. N. Vishawnath	Operator
10	Vinodkumar C.	Manager – Accounts and Admin

- 2. During the year under review, there were no employees who were in receipt of remuneration which in aggregate was not less than Rs 10,200,000/- 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 850,000/- 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

MARGAO-GOA
30th MAY, 2019

GAUTAM V. PAI KAKODE
MANAGING DIRECTOR
DIN: 02395512

MOTILAL S. KENY
DIRECTOR
DIN: 06813111



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:

A	Conservation of Energy	
	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 utilising 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 intum discharges more and utilises less time which leads to power saving.</p> <p>Efficient usages of equipments are also monitored for rated production for energy conservation.</p>

	iii) the capital investment on energy conservation equipments	NIL
B	Technology Absorption	
	(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	
	(iii) 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
C.	Foreign Exchange Earnings and Outgo:	The total foreign exchange outgo during the year 2018-19 was equivalent to Rs. 2,35,579 /- Foreign Exchange earned during the year 2018-19 was Nil.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARGAO-GOA
30th MAY, 2019

GAUTAM V. PAI KAKODE
MANAGING DIRECTOR
DIN: 02395512

MOTILAL S. KENY
DIRECTOR
DIN: 06813111



MANAGEMENT DISCUSSION AND ANALYSIS

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF).

Manufacturing has emerged as one of the high growth sectors in India. Recent initiatives by the NDA Government such as 'Make in India', 'Digital India', nationwide road-building program, Ease of Doing Business, etc. will boost and uplift the manufacturing sector. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020

The development and growth of Industrial Gases (such as oxygen, Nitrogen, Hydrogens ,Carbon dioxide and others) Industry has direct impact on the Industrial health and Economic wealth of a Nation. The Industrial gases are largely used in Petroleum Refineries,Steel Plants,Chemical Industry, Pharmaceuticals & Healthcare.

Food and Beverage Industry is a sunrise sector holding a huge promise for the growth of Industrial Gases market in India in future.

The gross turnover which according to some reports stands at 1 billion USD is expected to cross 2 billion USD by 2023 with the Govt's ambitious projection of 5 trillion USD economy by 2024.

Industry Structure and Developments

The medical gases market size in India, in volume terms, is forecast to witness a two folds increase by 2019, exhibiting a CAGR of about 15% during 2014-19. The medical gases market in India is highly dominated by region-specific players, which are offering a stiff competition to multinational companies. India's specialization in cardiology, orthopedic surgery, etc., is expected to drive healthcare demand, particularly for medical oxygen and nitrous oxide, which are vital requirements of any healthcare setup. Currently, the northern region, followed by the southern region, is the leading demand generators for medical gases, particularly medical oxygen gas. In addition, liquid helium is utilized in magnetic resonance imaging (MRI) equipment to cool down super conductive magnet coil scanners.

(Source: India Medical Gases Market Forecast & Opportunities, 2019)

The encouraging growth on both production and sales in previous years is likely to be sustained in current year also. Outlook for the current year remains strong. The Company's operations are subject to risks which can impact business performance essentially with regard to prices of basic (materials Moreover, regular capacity expansions by automobile, refinery and chemical companies coupled with increasing number of new applications of industrial gases is further augmenting demand for industrial gases in the country. Additionally, continuing growth in the country's healthcare sector is anticipated to augur well for the industrial gases market in India through 2023.

Like other sectors, the overall manufacturing growth is expected to result in increased demand for industrial gases over the years. The market for gas is broadly categorized as captive users and merchant market and the growth is steady in both segments.

The prominent development in recent years is introduction of Lower Capacity Tonnage Plants of China make, which likely to be popular for captive users this is changing the dynamics of gas market, especially the gas supplied in cylinders.



Opportunities and Threats

This year our Company has been successful in bidding contracts for Rs. 16 lakhs 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:

Particulars	Rs. in Lakhs	
	F.Y. 2018-19	F.Y. 2017-2018
Revenue from Operations	3115.71	2733.21
Expenses:		
Cost of material consumed	1255.82	1065.27
Gross Profit	1859.89	1667.95
Gross Profit	59.69%	61.03%

*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 risen by 13.99 % mainly on account of higher sales. However, despite of rise in turnover, gross profit percentage has decreased.

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 added 10 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

MARGAO-GOA
30th MAY, 2019

GAUTAM V. PAI KAKODE
MANAGING DIRECTOR
DIN: 02395512

MOTILAL S. KENY
DIRECTOR
DIN: 06813111



Form no. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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
Margoa, Goa- 403602

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 (hereinafter 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 31st March, 2019 (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 31st March 2019 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 the representation 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 thereunder
 - (v) Drugs and Cosmetics Act, 1940 and the Rules made thereunder
 - (vi) The Explosives Act, 1884 and the Rules made thereunder
 - (vii) Gas Cylinders Rules, 2016
 - (viii) The Petroleum Act, 1934 and the Rules made thereunder

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 subject to following observation:-

Out of 14,806 Equity Shares of Rs100 each, held by the Promoter(s) and promoter groups, only 400 Equity Shares are still in the process of dematerialization.

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.

Place: Mapusa , Goa

Date : May 28, 2019

Kritika Satardekar
Practicing Company Secretary
ACS No. 25448 & CP No. 13645

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.



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.

Place: Mapusa , Goa

Date : May 28, 2019

Kritika Satardekar
Practicing Company Secretary
ACS No. 25448 & CP No. 13645



**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) & AS SPECIFIED IN
PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Gautam V. Pai Kakode, Managing Director and Rajeev Nagarsenkar, Manager (Finance) & CFO of The Southern Gas Limited (“the Company”) to the best of our knowledge and belief, hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
 - a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**GAUTAM V. PAI KAKODE
MANAGING DIRECTOR**

**RAJEEV NAGARSENKAR
CHIEF FINANCIAL OFFICER**

**Place: Margao-Goa
Date: 15th May, 2019**



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 2019, 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, 2019, 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>Revenue Recognition</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"> ● 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. ● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition. ● Testing the effectiveness of such controls over revenue cut off at year-end. ● 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. ● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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 (Auditor's 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Regn. No.: 112761W**

**Place: Margao-Goa
Date: 30th May, 2019**

**(Lorence J. Malekar)
Partner
Mem. No. 024751**



**ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2019**

- (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 immovable 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 Service 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 31.03.2019.
- (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 Regn. No.: 112761W**

**Place: Margao-Goa
Date: 30th May, 2019**

**(Lorence J. Malekar)
Partner
Mem. No. 024751**



ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE SOUTHERN GAS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of THE SOUTHERN GAS LIMITED ('the Company') as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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 frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed



risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019.

**For LORENCE & SHANKAR
Chartered Accountants
Firm Regn. No.: 112761W**

**Place: Margao-Goa
Date: 30th May, 2019**

**(Lorence J. Malekar)
Partner
Mem. No. 024751**



THE SOUTHERN GAS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2019

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2.01	1194,09,655	1148,24,160
(b) Capital work-in-progress	2.01	7,98,248	7,98,248
(c) Financial assets			
(I) Non - Current Investments	2.02	10,000	10,000
(II) Loans & Advances	2.03	119,73,875	112,38,299
(III) Others	2.04	217,75,904	36,91,659
(d) Other non-current assets	2.05	6,15,204	1,32,417
Total non-current assets (A)		1545,82,884	1306,94,781
Current Assets			
(a) Inventories	2.06	80,16,793	72,60,048
(b) Financial assets			
(I) Trade Receivables	2.07	493,12,041	496,81,109
(II) Cash and cash equivalents	2.08	178,34,713	229,62,661
(III) Bank Balances other than (II) above	2.09	119,29,996	251,35,547
(iv) Other Current financial assets	2.10	2,86,824	3,78,821
(d) Current tax assets	2.11	16,40,760	41,75,483
(e) Other current assets	2.12	18,06,949	21,94,174
Total current assets (B)		908,07,076	1117,77,744
Total Assets (A+B)		2453,89,958	2424,72,524
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.13	22,50,000	22,50,000
(b) Other Equity	2.14	1825,30,228	1488,71,173
Total Equity (A)		1847,80,226	1509,21,173
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(I) Long Term Borrowings	2.15	48,37,036	45,35,066
(b) Long Term Provisions	2.16	51,73,113	50,60,814
(c) Deferred tax liability (net)	2.17	96,49,400	71,31,600
Total non current liabilities (B)		196,59,549	167,27,280
Current Liabilities			
(a) Financial liabilities			
(I) Short Term Borrowings	2.18	12,86,296	26,70,291
(II) Trade payables	2.19	-	-
- Total outstanding dues of Micro & Small Enterprises		-	-
- Total outstanding dues of Others		106,34,171	111,00,063
(III) Other Current financial liabilities	2.20	505,71,773	474,06,310
(b) Other current liabilities	2.21	79,33,015	135,37,295
(c) Short Term Provisions	2.22	5,22,828	1,11,111
Total current liabilities (C)		709,50,183	748,24,070
Total equity and Liabilities (A + B + C)		2453,89,958	2424,72,524

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

Gautama V. Pal Kakode

Managing Director

DIN :02395512

M.S. Keny

Director

DIN :06813111

CA. Lorence J. Malekar

Partner

M. No. 024751

Gourish Arolkar

Company Secretary

M.No. 49336

Rajeev Nagarsenkar

Chief Financial Officer

Place: Margao, Goa

Date: 30/05/2019

Place: Margao, Goa

Date: 30/05/2019



THE SOUTHERN GAS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rupees)

Particulars		Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I.	INCOME			
	Revenue from operations	2.23	3115,70,877	2766,84,111
	Less: Excise duty		-	(33,62,847)
			3115,70,877	2733,21,264
II.	Other Income	2.24	69,13,383	87,80,827
III.	Total Income (I+II)		3184,84,260	2821,02,091
IV.	EXPENSES			
	a. Cost of materials consumed	2.25	967,04,166	776,05,324
	b. Purchase of traded goods	2.26	290,81,926	279,76,053
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	2.27	(2,03,759)	9,45,125
	d. Employee benefits expense	2.28	632,74,518	620,65,405
	e. Finance costs	2.29	8,29,062	8,24,610
	f. Depreciation and amortisation expenses	2.01	167,20,392	158,17,565
	g. Other expenses	2.30	1009,39,869	962,59,252
	Total Expenses		3073,46,174	2814,93,334
V.	Profit before tax (III-IV)		111,38,086	6,08,757
VI.	Tax expense:			
	a. Income Tax - Current		24,18,912	3,00,000
	b. Income Tax - Previous Years		15,61,888	-
	c. Deferred tax		25,17,800	(6,55,000)
VII.	Profit for the period (V-VI)		46,39,486	9,63,757
VIII.	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement of the net defined benefit liability / Asset		(1,02,310)	18,873
	Total Other Comprehensive Income		(1,02,310)	18,873
	Total Comprehensive Income for the period		45,37,176	9,82,630
	Earnings per equity share:			
	Nominal value of share Rs. 100/- (Rs. 100/-)			
	Basic and Diluted	2.31	201.65	43.67

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. Pal Kakode

Managing Director

DIN :02395512

M.S. Keny

Director

DIN :06813111

CA. Lorence J. Malekar

Partner

M. No. 024751

Gourish Arolkar

Company Secretary

M.No. 49336

Rajeev Nagarsenkar

Chief Financial Officer

Place: Margao, Goa

Date: 30/05/2019

Place: Margao, Goa

Date: 30/05/2019



THE SOUTHERN GAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rupees)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Cash Flows from Operating Activities		
Total Comprehensive Income before tax	110,35,776	6,27,630
Adjustments for:		
- Depreciation	167,20,392	156,17,565
- Interest Income	(24,95,363)	(28,80,133)
- Interest expense	8,29,062	8,24,610
- Provision for Doubtful Debts/ (W/back)	(12,20,846)	(13,44,750)
- Bad debts written off	36,76,350	26,68,042
- Profit on Sale or write off of fixed assets	(31,01,576)	(8,31,262)
Sub total	143,08,019	142,54,074
Operating Profit before Working Capital Changes	253,43,795	148,81,704
Adjustments for working capital changes:		
(Increase)/ Decrease In Trade Receivables	(19,86,436)	(36,91,031)
(Increase)/ Decrease In Inventories	(7,65,744)	39,91,503
(Increase)/ Decrease In Loans and Advances (Non-Current)	(7,35,576)	(3,413)
(Increase)/ Decrease In Other Current Financial Assets	1,11,998	(33,673)
(Increase)/ Decrease In Current Tax Assets	25,34,723	(17,02,476)
(Increase)/ Decrease In Other Current Assets	3,87,225	26,79,461
(Increase)/ Decrease in Other Non Current Assets	(4,82,787)	10,63,268
Increase/ (Decrease) In Trade Payables	(4,65,892)	3,11,812
Increase/ (Decrease) in Short-Term Provisions	4,11,817	(18,38,508)
Increase/ (Decrease) In Long-Term Provisions	1,12,499	33,72,951
Increase/ (Decrease) In Other Non current Financial Liabilities	-	-
Increase/ (Decrease) in Other current Liabilities	(56,04,280)	45,47,286
Increase/ (Decrease) In Other Current Financial Liabilities	31,66,463	52,20,121
	(33,15,992)	139,17,301
Cash generated from Operations	220,27,803	287,99,005
Direct taxes	(39,80,800)	(3,00,000)
Cash flow before extraordinary Items	180,47,004	284,99,005
Extraordinary Items	-	-
Net Cash from/(used) In Operating Activities	180,47,004	284,99,005
B Cash Flows from Investing Activities		
Purchase of Fixed Assets	(212,94,017)	(413,96,532)
Sale of Fixed Assets	30,89,706	8,58,503
(Increase)/ Decrease in Other Non Current Financial Assets	(180,84,245)	(36,91,659)
(Increase)/ Decrease In Other Bank Balances	132,05,551	(251,35,547)
Interest Received	24,95,363	28,80,133
Net Cash from/(used) In Investing Activities	(205,87,642)	(664,85,102)



THE SOUTHERN GAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rupees)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C Cash Flows from Financing Activities		
Proceeds/(Repayment) of Long Term Borrowings	3,01,970	45,35,066
Proceeds/(Repayment) of Short Term Borrowings	(13,81,994)	3,68,139
Interest paid	(8,29,062)	(8,24,610)
Dividends and Corporate Dividend Tax paid	(6,78,124)	(9,49,420)
Net Cash from/(used) In Financing Activities Summary	(25,87,209)	31,29,175
Net Cash from/(used) Operating Activities	180,47,004	284,99,005
Net Cash from/(used) In Investing Activities	(205,87,642)	(664,85,102)
Net Cash from/(used) In Financing Activities	(25,87,209)	31,29,175
Net Increase (Decrease) in Cash Equivalents	(51,27,848)	(348,56,922)
Cash and Cash Equivalents at beginning of the year	229,62,561	578,19,483
Cash and Cash Equivalents at the end of the year	178,34,713	229,62,561
	(51,27,848)	(348,56,922)

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

Gourish Arolkar

Company Secretary

M.No. 49336

Rajeev Nagarsenkar

Chief Financial Officer

Place: Margao, Goa

Date: 30/05/2019

Place: Margao, Goa

Date: 30/05/2019



THE SOUTHERN GAS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31ST, 2019

(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, 2018	22,500	22,50,000
Changes In Equity Share Capital during the year	-	-
As at March 31st, 2019	22,500	22,50,000

B) OTHER EQUITY

(Amount in Rupees)

Particulars	RESERVES & SURPLUS		Total
	General Reserve	Retained Earnings	
As at April 1, 2018	300,72,589	1185,98,583	1486,71,172
Profit/ (Loss) for the year		46,39,486	46,39,486
Other Comprehensive Income/ (Loss)		(1,02,310)	(1,02,310)
Total Comprehensive Income/ (Loss)		1231,35,759	
Transfer from Retained Earnings	20,00,000	(20,00,000)	-
	320,72,589	1211,35,759	
Dividend Paid		(5,62,500)	(5,62,500)
Dividend Distribution Tax		(1,15,624)	(1,15,624)
As at March 31, 2019	320,72,589	1204,57,637	1525,30,226

As per our report of even date attached

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

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

Place: Margao, Goa
Date: 30/05/2019

For and on behalf of the Board of Directors

Gautam V. Pal Kakode
Managing Director
DIN :02395512

Gourish Arolkar
Company Secretary
M.No. 49338

Place: Margao, Goa
Date: 30/05/2019

M.S. Keny
Director
DIN :06813111

Rajeev Nagarsenkar
Chief Financial Officer



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 & 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**

- | | | |
|--|---|--|
| a) Sale of goods | : | 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 realisability 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. |

The Company adopted Ind AS - 115 "Revenue from Contracts with Customers" effective 01.04.2018 and adoption of the same had no material impact on revenue recognition.

IV) **Property, Plant & 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.

Leasehold Lands are stated at the lease premiums paid, less amortization.

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.



THE SOUTHERN GAS LIMITED

1. Significant accounting policies forming part of financials

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 recognized 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.

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 recognized 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 recognized 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 recognized 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) Segment Reporting

The Company operates in only one segment.

THE SOUTHERN GAS LIMITED
Notes forming part of Financials

2.01 Property, Plant & Equipment & Capital Work in Progress

(Amount in Rupees)

Description	Freehold Land and Improvements	Leasehold Lands	Buildings	Plant & Machinery (Including Cylinders)	Vacuum Insulated Transport Tanker	Electrical Fittings	Furniture & Fittings	Motor Cars & Vehicles	Office Equipments	Total
A) Tangible Assets (Property, Plant and Equipment)										
Cost										
As at 1st April, 2017	188,75,060	11,94,903	293,26,241	2511,53,670	120,39,777	15,57,671	68,26,529	187,34,992	77,69,721	3394,72,564
Additions (including transfers from C-W-I-P)	-	78,36,170	4,36,587	178,99,337	-	62,478	70,402	136,89,575	8,03,737	405,98,286
Deductions	-	-	-	1,27,855	-	-	-	18,69,371	-	19,97,226
As at 31st March, 2018	188,75,060	90,31,073	297,56,828	2687,25,152	120,39,777	16,20,149	68,96,931	305,55,196	85,73,458	3780,73,624
Additions (including transfers from C-W-I-P)	-	-	30,33,818	91,78,105	52,91,673	14,226	19,25,373	9,46,823	9,03,000	212,94,017
Deductions	-	-	-	12,32,407	19,71,794	-	-	-	-	32,04,201
As at 31st March, 2019	188,75,060	90,31,073	327,90,646	2766,70,850	153,59,656	16,34,375	88,23,304	315,02,919	94,76,458	3961,63,440
Depreciation										
As at 1st April, 2017	-	2,03,298	91,63,808	2023,79,686	110,60,321	12,85,037	42,95,927	141,11,698	69,02,439	2494,02,214
Charge for the year	-	14,396	8,47,207	103,66,513	5,44,141	71,241	6,15,224	29,22,086	4,36,756	158,17,564
Sales/Adj.	-	-	-	1,00,943	-	-	-	18,69,371	-	19,70,314
As at 31st March, 2018	-	2,17,694	100,11,015	2126,45,256	116,04,462	13,56,278	49,11,151	151,64,413	73,39,195	2632,49,464
Charge for the year	-	14,396	8,87,310	106,59,549	7,70,382	76,226	7,05,601	27,56,801	6,50,127	167,20,392
Sales/Adj.	-	-	-	12,44,277	19,71,794	-	-	-	-	32,16,071
As at 31st March, 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	2767,83,786
Net Block										
As at 31st March, 2019	188,75,060	87,98,983	218,92,321	544,10,322	49,56,606	2,01,871	32,06,552	135,80,805	14,87,135	1194,09,655
As at 31st March, 2018	188,75,060	88,13,379	197,45,813	560,79,896	4,35,315	2,63,871	19,85,780	153,90,763	12,34,263	1148,24,160
B) Capital Work in Progress										
Cost as at 31st April, 2018										7,98,246
Additions										-
Deductions / Transfers										-
Cost as at 31st March, 2019										7,98,246





THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2019	As at 31st March, 2018
2.02 Financial Assets (Non Current Investments)		
Non-Trade (Unquoted):-		
National Savings Certificate	10,000	10,000
	10,000	10,000
2.03 Financial Assets (Loans & Advances) (Unsecured, Considered Good)		
Security Deposits #	119,73,875	112,38,299
	119,73,875	112,38,299
2.03.1 # Includes Rs.20 Lakhs (PY Rs. 20 Lakhs) due from Directors.		
2.04 Financial Assets (Others) (Unsecured, Considered Good)		
Bank Deposits (having maturity more than 12 months) @	217,75,904	36,91,659
	217,75,904	36,91,659
2.04.1 @ - Includes Deposits of Rs 114,00,000 (PY Nil) against which working capital loan taken.		
2.05 Other Non Current Assets		
Prepaid expenses	6,15,204	1,32,417
	6,15,204	1,32,417
2.06 Inventories		
a) Raw materials	17,62,008	14,04,159
b) Finished/Purchased goods	18,82,921	16,79,162
c) Stores & Spares	42,51,286	40,69,679
d) Sundry Materials	1,19,578	97,049
	80,15,793	72,50,048
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	22,88,504	35,09,350
less: Provision for doubtful debts	(22,88,504)	(35,09,350)
	-	-
ii) Other Receivables		
Unsecured, Considered Good	493,12,041	496,81,109
	493,12,041	496,81,109
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 *	175,40,609	152,37,159
In Deposit Accounts (having maturity of less than 3 months)	2,600	75,59,148
ii) Cash On Hand	2,02,895	1,53,544
iii) Remittances	88,608	12,709
	178,34,713	229,62,561
2.08.1 * - Includes Debit balance of Rs. 1,68,740 in Cash Credit A/c		



THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount In Rupees)

	As at 31st March, 2019	As at 31st March, 2018
2.09 Other Balances with Bank		
Balances with Bank		
(i) In Fixed Deposit Account (with maturity between 3 - 12 months)	118,47,716	250,52,363
(ii) In Earmarked Unpaid Dividend A/c	82,280	83,184
	119,29,996	251,35,547
2.10 Other Current Financial Assets		
Interest receivable	2,66,824	3,78,821
	2,66,824	3,78,821
2.11 Current Tax Assets		
Advance Income Tax (Net of Provisions)	-	41,75,483
Income tax refund receivable	15,39,440	-
Income tax paid under appeal	1,01,320	-
	16,40,760	41,75,483
2.12 Other Current Assets		
Balances with Revenue Authorities	-	6,38,313
Advances recoverable in cash or in kind or for value to be received	9,69,220	7,22,570
Prepaid Expenses	8,37,729	8,33,291
	18,06,949	21,94,174

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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, 2019	As at 31st March, 2018
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, 2019		As at 31st March, 2018	
	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, 2019		As at 31st March, 2018	
	%	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	24.67%	5,550	24.67%	5,550
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 2019-

- 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, 2019	As at 31st March, 2018
2.14 Other Equity		
General Reserves		
Opening Balance	300,72,589	280,72,589
Add :- Amount Transferred from Surplus	20,00,000	20,00,000
Closing Balance	320,72,589	300,72,589
Retained Earnings		
Opening Balance	1185,98,584	1205,65,374
Add:-Profit for the year	46,39,486	9,63,757
Other Comprehensive Income/ (expense) arising from re-measurement of Defined Benefit Obligation	(1,02,310)	18,873
Amount available for appropriation	1231,35,761	1215,48,004
Less:- Appropriation		
-Dividend on Equity Shares	5,62,500	7,87,500
-Tax on dividend	1,15,624	1,61,920
-Transfer to General Reserve	20,00,000	20,00,000
Closing Balance	1204,57,637	1185,98,584
Total Other Equity	1525,30,226	1486,71,173

2.14.1 The Board of Directors have proposed an equity dividend of Rs. 40/- (PY Rs.25/-) per share for the financial year ending 31.03.2019 at their meeting held on 30th May 2019, 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. 9,00,000/-, distribution tax thereon Rs. 1,84,998/-

2.15 Financial Liabilities (Long-term borrowings)
Secured

Term Loans from Banks	48,37,036	45,35,066
	48,37,036	45,35,066

2.15.1 Terms and other Details pertaining to Long Term Borrowings

Int %	Other Terms	Maturity	Amount *
8.80%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 31,707/-	February, 2021	3,34,919
8.80%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 31,707/-	February, 2021	3,34,919
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 66,291/-	August, 2021	6,67,612
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 84,450/-	October, 2021	8,33,483
8.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 2,35,023/-	May, 2020	26,66,104

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, 2019	As at 31st March, 2018
2.16 Long Term Provisions		
Provision for employee benefits [Refer Note 2.36]		
- Compensated Absences	21,46,265	15,43,007
- Gratuity	30,26,848	35,17,607
Total	<u>51,73,113</u>	<u>50,60,614</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	103,66,400	100,58,980
B. Deferred Tax Assets		
- On Provisions	(5,95,000)	(9,03,680)
- On other disallowances	(1,22,000)	(20,23,700)
Deferred Tax Liabilities (Net) (A-B)	<u>96,49,400</u>	<u>71,31,600</u>
2.17.1 Reconciliation of Deferred Tax Liabilities (Net)		
Opening Balance	71,31,600	77,86,600
Tax (income)/expense during the year recognised in profit or loss for current year	25,17,800	(6,55,000)
Closing Balance	<u>96,49,400</u>	<u>71,31,600</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	12,88,296	26,70,291
	<u>12,88,296</u>	<u>26,70,291</u>

2.18.1 Working Capital Loan is secured by lien on Bank Deposits. It bears an interest rate of 7.25% 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	106,34,171	111,00,063
	<u>106,34,171</u>	<u>111,00,063</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, 2019	As at 31st March, 2018
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	467,66,819	442,00,571
Current maturities of long term borrowings	36,75,674	30,75,381
Unclaimed Dividend *	82,280	82,358
Deposits	47,000	47,000
	505,71,773	474,05,310
* No amount is due for payment to Investor Education and Protection Fund.		
2.21 Other Current Liabilities		
-Statutory Dues	19,22,090	76,43,326
-Payable to Employees (Bonus)	51,16,500	55,46,915
-Advance from Customers	4,26,033	3,47,055
-Others	4,68,393	-
	79,33,015	135,37,295
2.22 Short-term Provisions		
a) Provision for employee benefits [Refer Note 2.36]		
- Gratuity	-	-
- Compensated absences	4,67,928	1,11,111
b) Provision for Income Tax	55,000	-
	5,22,928	1,11,111



THE SOUTHERN GAS LIMITED

2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2019

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
2.23 Revenue From Operations		
Sale of Products		
Gross Sales	2788,06,473	2518,76,253
Other operating Revenue		
Cylinder handling and maintenance charges	185,61,486	127,12,307
Freight charges recovery	102,66,423	81,07,295
Penalty for delayed return of cylinders	39,36,494	39,88,256
	3115,70,877	2766,84,111
Less: Excise Duty *	-	33,62,847
Total	3115,70,877	2733,21,264

2.23.1 Details of Sale of Products (Disaggregation of Revenue) (Net of Excise Duty % / GST)

Finished goods		
Oxygen	782,14,402	596,23,652
Dissolved Acetylene	145,76,252	200,50,818
Liquid Nitrogen	23,81,003	26,44,844
Nitrogen	146,71,135	105,07,178
Liquid Oxygen	238,65,673	150,65,773
Medical Oxygen	682,97,680	678,66,545
Compressed Air	3,43,166	4,91,078
Carbon Dioxide	61,59,115	53,07,876
Argon	222,45,087	170,74,207
Nitrous Oxide	400,36,430	426,88,245
Calcium Carbide	2,35,000	-
Hydrogen	6,20,312	8,00,658
ACM	41,48,466	35,56,196
ANM	33,760	1,04,000
AHM	41,930	53,305
AOM	-	1,050
Helium	6,60,886	7,00,341
Lime Sludge	60,789	94,037
Freon gas	-	4,87,400
Other Items	22,15,387	13,96,203
Total	2788,06,473	2485,13,406

* upto June 30th, 2017, after which date Excise Duty has been subsumed into GST.

2.24 Other Income

Interest	24,95,363	28,80,133
Gain on Foreign Exchange Fluctuation (net)	3,374	70,986
Profit on sale of fixed assets (net)	31,01,576	8,31,262
Provision for doubtful debts w/back	12,20,846	13,44,750
Unclaimed Cylinder Deposits w/back	-	29,93,808
Misc credit balances w/back	-	5,76,721
Miscellaneous Income	92,224	83,168
Total	69,13,383	87,80,827

2.25 Cost of Materials consumed

Opening Stock	14,04,159	45,16,289
Purchases	970,62,015	744,93,193
	984,66,174	790,09,482
Less: Closing Stock	17,62,008	14,04,159
Cost of Materials consumed	967,04,166	776,05,324



THE SOUTHERN GAS LIMITED

2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2019

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
2.25.1 Details of major raw material and components consumed		
Liquid Oxygen	517,36,071	373,64,058
Calcium Carbide	37,01,869	64,41,014
Ammonium Nitrate	263,47,913	255,25,690
Argon	143,51,212	76,01,444
Others	5,67,101	6,73,117
	967,04,166	776,05,324
2.26 Purchase of Traded goods		
Oxygen	6,67,892	7,13,012
Liquid oxygen	114,22,774	53,55,474
Dissolved Acetylene	70,91,723	88,39,870
Helium	4,30,113	4,49,991
Nitrogen & Dry Nitrogen	5,36,107	6,06,322
Liquid Nitrogen	3,21,377	2,66,858
Mixture Gas	3,200	1,43,470
Nitrous Oxide	26,92,990	51,79,660
Medical Oxygen	1,18,710	7,95,450
Argon	20,25,495	17,20,892
Carbon Di-Oxide	31,05,254	26,81,124
Hydrogen	2,77,368	3,32,477
Freon gas	2,02,581	2,41,360
ACM/AHM	1,54,598	2,88,864
Compressed Air/cylinder	14,762	3,55,831
Others	16,983	5,400
	290,81,926	279,76,053
2.27 (Increase)/Decrease in Inventories of finished goods, work in progress and stock in trade		
Opening Stock	16,79,162	26,24,287
Closing Stock of finished goods	18,82,921	16,79,162
(Increase)/Decrease	(2,03,759)	9,45,125
2.27.1 Detail of Opening Stock of finished goods		
Oxygen	2,90,081	5,84,379
Dissolved Acetylene	5,37,853	6,31,910
Nitrogen	1,67,321	1,43,747
Argon	1,15,577	1,96,193
Nitrous Oxide	4,12,455	6,24,590
Others	1,55,875	4,43,468
Total	16,79,162	26,24,287
2.27.2 Detail of Closing Stock of finished goods		
Oxygen	4,61,200	2,90,081
Dissolved Acetylene	3,27,443	5,37,853
Nitrogen	1,18,088	1,67,321
Argon	1,54,834	1,15,577
Nitrous Oxide	6,65,461	4,12,455
Others	1,55,896	1,55,875
Total	18,82,921	16,79,162

**THE SOUTHERN GAS LIMITED****2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2019**

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
2.28 Employee Benefits Expense		
Salaries & Wages	549,74,869	534,17,508
Contributions to Provident and other funds	40,69,008	58,12,571
Workmen and Staff Welfare Expenses	42,30,641	28,35,326
	632,74,518	620,65,405
2.29 Finance Cost		
Interest expense	8,29,062	8,24,610
	8,29,062	8,24,610
2.30 Other Expenses		
Power, Fuel & Water	456,35,339	444,53,832
Consumption of Stores, Spares & Consumables	49,15,487	37,78,139
Rent	32,35,869	30,66,980
Repairs and Maintenance		
a) Buildings	8,51,831	5,12,236
b) Plant & Machinery	25,35,155	27,20,619
c) Vehicles (including vehicle running expenses)	174,47,256	150,81,570
d) Others	18,95,109	13,77,420
Insurance	8,87,496	5,14,263
Rates & Taxes	20,82,912	18,50,756
Traveling Expenses	31,44,735	31,51,697
Donations	2,16,002	2,90,001
Printing, Stationery, Postage & Telephone	16,83,623	18,16,625
Auditors Remuneration- (see note below)	4,69,500	7,27,115
Advertisement	12,17,521	11,62,259
Legal & Other Professional charges	16,56,806	20,65,918
Security Charges	36,38,466	38,80,608
Bank charges	2,15,386	3,26,305
Directors' sitting fees	57,000	54,000
Freight & Carriage (Net)	33,93,836	50,18,077
Bad debts written off	35,76,350	26,68,042
Miscellaneous expenses	21,84,190	17,42,788
	1009,39,869	962,59,252
Note 2.30.1		
Auditor's Remuneration:-		
a. Statutory Audit fees	3,81,000	2,44,687
b. Tax matters - (including tax audit)	88,500	85,000
c. For Reimbursement of Expenses	-	3,97,428
	4,69,500	7,27,115



THE SOUTHERN GAS LIMITED

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

(Amount in Rupees)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
2.31 Earnings per share		
Total Comprehensive Income for the period	45,37,176	9,82,630
Weighted average number of Equity shares of Rs.100 each	22,500	22,500
Earnings per Share (Basic & Diluted)	201.65	43.67

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, 2019	For the year ended 31st March, 2018
(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. Accident Claim (See Note 2.33.2.(ii))	-	5,00,000
(2) Guarantees issued by the bank on behalf of the Company	26,92,737	30,92,863

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)(ia) 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) A compensation claim for an amount of Rs. 5 Lakhs was filed by an accident victim u/s 140 of the Motor Vehicles Act, 1988 before The Motor Accident Claims Tribunal in the year of 2013-14. The company being a co-respondent in this case, along with ICICI Lombard General Insurance Company Limited (Vehicle third party insurance provider), has disputed before the appellate authorities, which was pending before the authorities. The company has settled the claim in FY 2018-19.

2.34 Estimated amount of contracts remaining to be executed on capital account- Rs. Nil (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	78,00,000
Contribution to PF	21,600	21,600
Total Remuneration	60,21,600	78,21,600

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, 2019	As at 31st March, 2018
Employer's contribution to Provident Fund	24,64,840	23,57,951
Employer's contribution to Employee's State Insurance	6,93,940	9,01,003

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

i	Actuarial Assumptions	Gratuity		Compensated Absences	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Discount Rate (per annum)	7.70%	7.50%	7.60%	7.50%
	Salary escalation rate*	5.00%	5.00%	5.00%	5.00%
	Expected return on planned assets	8.00%	8.00%	-	-
	Mortality rate	Indian Assured Lives Mortality [1994-96] Ultimate		Indian Assured Lives Mortality [1994-96] Ultimate	
	Attrition rate	1.00%	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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	-Present value of obligation at beginning of the year	113,75,697	107,38,195	16,54,118	18,23,261
	-Current Service Cost	6,56,021	7,18,414	9,68,592	6,61,008
	-Interest Cost	8,43,909	8,32,305	2,09,697	1,39,943
	-Actuarial (gain)/ loss	7,54,933	9,51,221	1,42,125	(9,70,094)
	-Benefits Paid	(17,38,068)	(18,64,438)	(3,60,339)	-
	Present value of obligation at the end of the year	118,92,492	113,75,697	26,14,193	16,54,118
iii	Reconciliation of fair value of plan assets- Gratuity			As at 31st March, 2019	As at 31st March, 2018
	Fair value of plan assets at the beginning of the year			78,58,090	89,24,509
	-Expected return on plan assets			6,43,360	7,13,960
	-Administration Expenses			(16,966)	-
	-Actual Return on Plan Assets over expected Interest			6,52,623	(6,94,794)
	-Contributions to the fund			14,66,605	7,78,853
	Benefits paid from the fund			(17,38,068)	(18,64,438)
	Fair value of plan assets at the end of the year			88,65,644	78,58,090

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

iv	Description of Plan Assets	As at 31st March, 2019	As at 31st March, 2018
	Insurer managed funds	88,65,644	78,58,090

v	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	As at 31st March, 2019	As at 31st March, 2018
	Present value of obligations at the end of the year	118,92,492	113,75,697
	Fair value of plan assets at end of the year	88,65,644	78,58,090
	Funded Status	(30,26,848)	(35,17,607)
	Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	30,26,848	35,17,607

vi	Expenses recognised in the Statement of Profit & Loss (including OCI)	Gratuity		Compensated Absenses	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Current Service Cost	6,56,021	7,18,414	9,68,592	6,61,008
	Administration Expenses	16,966	-		
	Net Interest Cost	2,00,549	1,18,345	2,09,697	1,39,943
	Actuarial (gain) / loss recognised in the period	1,02,310	9,51,221	1,42,125	(9,70,094)
	Expenses recognised in the Statement of Profit & Loss (including OCI)	9,75,846	17,87,980	13,20,414	(1,69,143)

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 Absenses	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Discount rate up 1.0% absolute	(6,73,000)	(6,63,000)	(1,91,000)	(1,23,000)
Discount rate down 1.0% absolute	7,65,000	7,52,000	2,21,000	1,41,000
Salary escalation up 1.0% absolute	7,45,000	7,03,000	2,41,000	1,50,000
Salary escalation down 1.0% absolute	(6,63,000)	(6,27,000)	(2,11,000)	(1,32,000)
Attrition rates up 10.0% absolute	16,000	14,000	5,000	3,000
Attrition rates down 10.0% absolute	(15,000)	(15,000)	(4,000)	(2,000)

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 Absenses
	As at 31st March, 2019	As at 31st March, 2019
Year 1	27,45,000	4,68,000
Year 2	9,02,000	1,33,000
Year 3	11,24,000	1,50,000
Year 4	10,97,000	1,96,000
Year 5	12,83,000	1,36,000
Years 6 - 10	64,65,000	20,23,000
Years 11 - 15	25,15,000	4,94,000
Year 15 +	59,21,000	21,90,000

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
(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. Pal Kakode	-Managing Director
2. Yogita G Pal Kakode	-Director
3. Ranganath N Prabhu	-Independent Director (upto 11/02/2019)
4. Sripad P. Patnekar	-Independent Director
5. Jayendra V Galtonde	-Independent Director (upto 10/08/2018)
6. Motilal S Keny	-Non Executive Director
7. Anbunathan Murugain	-Additional Director (Independent)
8. Purushottam Mantri	-Independent Director (w.e.f 11/02/2019)
9. Geeta Prabhudesai	-Chief Financial Officer (upto 28/01/2019)
10. Rajeev Nagarsenkar	-Chief Financial Officer (upto 11/02/2019)
11. Aniket A. Karmali	-Whole time Company Secretary upto (10/08/2018)
12. Gourish R. Arolkar	-Whole time Company Secretary w.e.f (12/11/2018)

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 Ralturcar Trust	
3. Madhav Gopal Poy Ralturcar 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, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	29,120	2,50,988
Bangalore Oxygen Company(P) Ltd	-	-	-	-	112,89,895	79,94,254
Sale of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	78,20,083	40,25,741
Bangalore Oxygen Company(P) Ltd	-	-	-	-	3,11,523	11,38,794
Payment of Freight/other expenses						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	2,88,067
Bangalore Oxygen Company(P) Ltd	-	-	-	-	39,867	16,310
Purchase of Fixed Assets						
Malabar Oxygen Company(P) Ltd	-	-	-	-	31,68,300	29,60,000
Bangalore Oxygen Company(P) Ltd	-	-	-	-	-	-
Penalty Charges for delayed return of Cylinders						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	1,54,903	3,27,952
Receipt of Freight/other receipts						
Malabar Oxygen Company(P) Ltd					13,20,844	13,66,165
Bangalore Oxygen Company(P) Ltd					2,20,200	2,85,308



THE SOUTHERN GAS LIMITED

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

(Amount in Rupees)

Remuneration/ Sitting Fees						
1. Gautam V. Pal Kakode	60,21,600	78,21,600	-	-	-	-
2. Yogita G Pal Kakode	12,000	12,000	-	-	-	-
3. Ranganath N Prabhu	3,000	6,000	-	-	-	-
4. Sripad P. Patnekar	12,000	12,000	-	-	-	-
5. Jayendra V Gaitonde	3,000	9,000	-	-	-	-
6. Mollal S Keny	12,000	12,000	-	-	-	-
7. Anbunathan Murugan	12,000	3,000	-	-	-	-
8. Purushottam Mantri	3,000	-	-	-	-	-
9. Geeta Prabhudesal	2,92,884	60,160	-	-	-	-
10. Rajeev Nagarsenkar	61,967	-	-	-	-	-
11. Aniket A. Karmali	1,21,529	3,92,692	-	-	-	-
12. Gourish R. Arolkar	1,76,753	-	-	-	-	-
Payment of rent						
1. Gautam V. Pal Kakode	11,62,000	11,65,500				
2. Yogita G Pal Kakode	10,50,000	9,45,000	-	-	-	-
Donation (Madhav Gopal Poy Foundation Trust)						
	-	-	1,00,000	-	-	-

C. Outstanding balance as on 31.3.2019

	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where significant influence exists	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Receivables	NIL	NIL	NIL	NIL	NIL	NIL
Payables	NIL	NIL	NIL	NIL	NIL	2,74,412
Security Deposits	20,00,000	20,00,000	NIL	NIL	NIL	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, 2019	As at 31st March, 2018
(i) Less than 1 year		
Short Term Borrowings	12,88,296	26,70,291
Trade Payables	106,34,171	111,00,063
Other Financial Liabilities	505,71,773	474,05,310
	624,94,240	611,75,664
(ii) 1 to 5 years		
Long Term Borrowings	48,37,036	45,35,066
	48,37,036	45,35,066
(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

	<i>(Amount in Rupees)</i>	
	As at 31st March, 2019	As at 31st March, 2018
2.40 Categories of financial instruments		
Financial Assets		
Measured at Amortised Cost		
a) Cash & Cash Equivalents	178,34,713	229,62,561
b) Bank Balances other than (a) above	119,29,906	251,35,547
c) Trade Receivables	493,12,041	496,81,109
d) Loans and Advances	119,73,875	112,38,299
e) Other Financial Assets at amortised cost	2,76,824	3,88,821
	913,27,449	1094,06,338
Financial Liabilities		
a) Borrowings	61,25,332	72,05,357
b) Trade Payables	106,34,171	111,00,063
c) Other Financial Liabilities at amortised cost	505,71,773	474,05,310
	673,31,276	667,10,730

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.

2.41 Reconciliation of Income Tax Expense

Particulars		
Accounting Profit / (Loss) before Tax	111,38,086	6,08,757
Other Comprehensive Income/ (Loss)	(1,02,310)	18,873
Total Comprehensive Income	110,35,776	6,27,630
Tax Rate	26%	25.75%
Tax as per Accounting Profit	28,69,302	1,61,615
Tax Effect on:		
(i) Disallowed Expenditure	82,042	80,596
(ii) Expenditure allowed on payment basis	1,22,022	6,44,582
(iii) Depreciation allowable as per Income Tax Act, 1961 (net)	3,92,910	1,49,086
(iv) Accounting Profits not liable to Tax	(11,23,830)	(5,60,323)
(v) Others	27,282	(1,75,556)
Financial Cost on delayed payments	49,183	-
Current Tax	24,18,912	3,00,000
Earlier years	15,61,888	-
	39,80,800	3,00,000

As per our report of even date attached

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

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

Place: Margao, Goa
Date: 30/05/2019

For and on behalf of the Board of Directors

Gautam V. Pal Kakode
Managing Director
DIN :02395512

Gourish Arolkar
Company Secretary
M.No. 49336

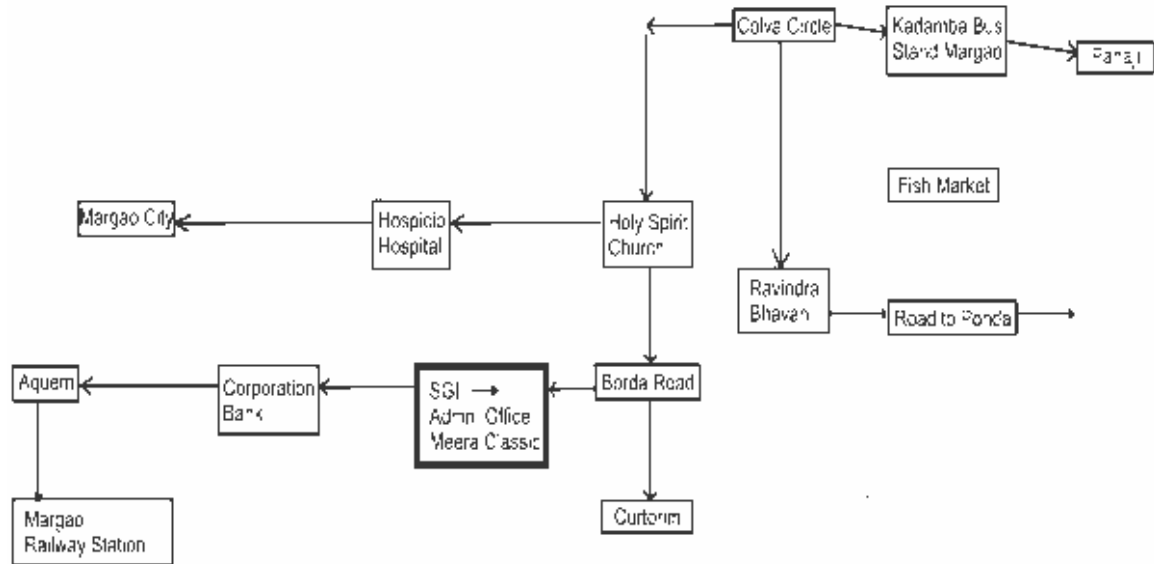
Place: Margao, Goa
Date: 30/05/2019

M.S. Keny
Director
DIN :06813111

Rajeev Nagarsenkar
Chief Financial Officer

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MAP OF THE LOCATION OF THE AGM



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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

THE SOUTHERN GAS LTD

CIN: L31200GA1963PLC000562

Registered Office: Meera Classic Phase II, Gogol- Borda, Margao, Goa 403601

Email: sglgoa@southernngasindia.com, Website: www.southernngasindia.com,

Phone: 0832-2724863/64, Fax: 0832-2724865

FIFTY FIFTH ANNUAL GENERAL MEETING

THURSDAY 26TH SEPTEMBER, 2019 AT 10:30 A.M.

Name of the member(s):	E-mail Id:
Registered address:	Folio No/ *Client Id:
*DP Id:	
I/We, being the member(s) of The Southern Gas limited holding _____ shares, hereby appoint:	
1) Name: _____	Address _____
E-mail id: _____	Signature _____ or failing him
2) Name: _____	Address _____
E-mail id: _____	Signature _____ or failing him
3) Name: _____	Address _____
E-mail id: _____	Signature _____ or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55 th Annual General Meeting of the Company, to be held on Thursday 26 th September, 2019 at 10:30 a.m. at the Registered Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa – 403601 and at any adjournment thereof in respect of such resolutions as are indicated below:	
Resolution No.	Resolutions
Ordinary Business	
1	Consider and adopt: the Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2019
2	To declare Dividend on Equity shares for the financial year ended 31st March, 2019.
3	To appoint a Director in place of Mr. Motilal Keny (DIN: 06813111) who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
4	Appointment of Mr. Purushottam Mantri (DIN:06785989) as an Independent Director of the Company.
5	Re-appointment of Mr. Sripad Patnekar (DIN:01939882) as an Independent Director of the Company
6	Re- appointment of Mr. Gautam V. Pai Kakode (DIN:02395512) as the Managing Director of the Company.



ATTENDANCE SLIP

THE SOUTHERN GAS LTD

CIN: L31200GA1963PLC000562

Registered Office: Meera Classic , Phase II Gogol , Borda, Margao, Goa 403602

Email: sglgoa@southerngasindia.com, Website: www.southerngasindia.com,

Phone: 0832-2724863/64, Fax:0832-2724865

**FIFTY FIFTH ANNUAL GENERAL MEETING
THURSDAY 26th SEPTEMBER, 2019 AT 10:30 A.M.**

DPI Id* _____

Folio No: _____

Client Id* _____

No of shares: _____

Name and Address of the Member/Proxy: _____

I hereby record my/our presence at the 55th Annual General Meeting of the Company held on Thursday, 26th September, 2019 at the Registered Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa – 403602.

Member's/Proxy's in Block Letters

Signature of Member / proxy

Notes:

* Applicable for investors holding shares in electronic form.

Please fill attendance slip and hand it over at the entrance of the meeting hall

Joint shareholders may obtain additional Slip at the venue of the meeting.

