



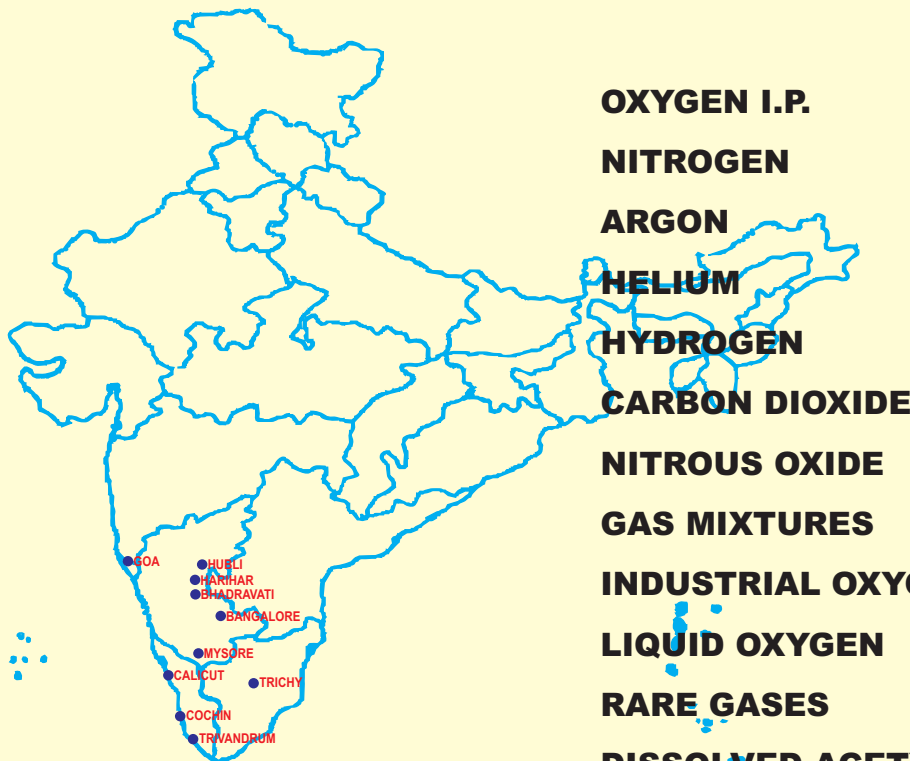
Since 1963

54th ANNUAL REPORT 2017 - 2018

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 : sgclct@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, Valavanthankottai
TRICHY - 620 015
Tel No. 0431-2731124, 2731125
E-mail : sgltry@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 : sgltnm@southernngasindia.com



THE SOUTHERN GAS LIMITED.

Regd. Office : 1st floor, 'Govind Poy House'. Margao - 403 601, Goa
Admn. 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

54th Annual Report 2017-2018

If underdelivered please return to :
THE SOUTHERN GAS LTD.
1st Floor, ' Govind Poy House',
Rua do Padre Miranda Road,
Post Box 340,
Margao Goa 403 601.

FROM THE DESK OF MANAGING DIRECTOR



Dear Shareholders,

Your Company has always been eyeing ways and means of maintaining its pioneer position in its products and providing quality service, thereby ensuring long term profitable growth.

Coming to the performance of your Company, the Financial year 2017-18 was one of the most challenging year for The Southern Gas Limited as the financial performance has been lower than our expectations. Increase in expenses being the major factor for the lower profitability. However with our focus on cost rationalization and optimum capacity utilization, the company promises to deliver on the expectations and I am hopeful that we will close FY 2019 with better numbers.

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 2017-18.

Thanking you,

Gautam V. Pai Kakode
Managing Director

30th June, 2018



THE SOUTHERN GAS LIMITED

CIN:L31200GA1963PLC000562

BOARD OF DIRECTORS

MR. GAUTAM V. PAI KAKODE
MRS. YOGITA G. PAI KAKODE
MR. N. R. PRABHU
MR. S. P. PATNEKAR
MR. J. V. GAITONDE
MR. M. S. KENY
MR. ANBUNATHAN MURUGAIAN

CHIEF FINANCIAL OFFICER

MRS. GEETA S. PRABHUDESAI

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

GOVIND POY HOUSE,
1ST FLOOR, POST BOX NO - 340
RUA DO PADRE MIRANDA,
MARGAO-GOA 403601

UNITS

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

COMPANY SECRETARY

MR. ANIKET KARMALI

SECRETARIAL AUDITOR

MRS. KRITIKA SATARDEKAR
PRACTICING COMPANY SECRETARY
MAPUSA- GOA

BANKERS

CORPORATION BANK

ADMINISTRATIVE OFFICE

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

CONTACT INFORMATION

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



NOTICE

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Shareholders of THE SOUTHERN GAS LIMITED will be held on Wednesday, 26th September, 2018 at 10.30 a.m. at the Administrative 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, 2018 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, 2018.
3. To appoint a Director in place of Mrs. Yogita Gautam Pai Kakode (DIN: 01587954) who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Statutory Auditors and fix their Remuneration

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

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and pursuant to the resolution passed by the members at the AGM held on 26th September, 2017, the appointment of M/s. Lorence & Shankar, Chartered Accountants, Margao -Goa (Firm Registration No. 112761W), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 55th Annual General Meeting of the Company to be held in the year 2019, be and is hereby ratified, at such remuneration, plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee.”

“RESOLVED FURTHER THAT in terms of Section 139 of the Companies Act, 2013 as amended vide Companies Amendment Act, 2017 the ratification of appointment of Statutory Auditors at every AGM, pursuant to the resolution passed by members at the AGM held on 26th September, 2017, be and is hereby dispensed with and the Statutory Auditors shall continue to hold office during the remainder of the current term ending on the conclusion of the Annual General Meeting to be held in the year 2022.”

SPECIAL BUSINESS

5. **Appointment of Mr. Anbunathan Murugaian (DIN: 02533205) 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 Section 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. Anbunathan Murugaian (DIN 02533205)**, who was appointed as an Additional Director of the Company in the capacity of Independent Director



by the Board of Directors with effect from 12th February, 2018, and whose term of office expires at this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and whose appointment was recommended by Nomination and Remuneration Committee as well as the Board of Directors in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office till 11th February, 2023.”

“RESOLVED FURTHER that the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorized to file relevant e-forms with the Registrar of companies and to do all such acts, deeds and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Aniket Karmali
Company Secretary
ACS 47942**

**Dated: 28th May, 2018
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 Thursday, 20th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive) for the purpose of payment of dividend and for the Annual General Meeting.
- 5) The final dividend of Rs. 25/- per equity share for the financial year ended 31st March, 2018, 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, 2018 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, 2018
- 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. 9,090 being the unclaimed dividend for the financial year ended 31st March, 2010 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 2010-2011 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, 2011	5 th November, 2018
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

- 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 2010-2011 and onwards, as on 26th September, 2017 (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 2010-2011 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 7th September 2016 to 31st October 2017.

Accordingly, the Company vides 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 2010-2011 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.southernngasindia.com.
- 16) Physical copies of the Annual Report for FY 2017-18, Notice of the 54th 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 54th AGM and the Annual Report FY 2017-18 will be available on the Company's website, www.southerngasindia.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 id's 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 54th 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 Saturday 22nd September, 2018 at 09:00 a.m. and ends on Tuesday 25th September, 2018 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 Wednesday, 19th September, 2018 ("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, 2018 (“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, 2018 should follow the same procedure for e-voting as mentioned above or may contact company's RTA.
- 20) The Company has designated sglgoa@southerngasindia.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.southerngasindia.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 the requisite number of votes, the Resolution shall be deemed to be passed on the Date of the AGM i.e. 26th September 2018.
- 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**

**Aniket Karmali
Company Secretary
ACS 47942**

**Dated: 28th May, 2018
Place: Margao-Goa**



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

Item No 5:

The Board of Directors, at its meeting held on 12th February, 2018, approved the appointment of Mr. Anbunathan Murugaian (DIN 02533205) as an Additional Director in the category of Independent Director on the Board of the Company with effect from 12th February, 2018 and he will hold office upto the date of ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013.

Mr. Anbunathan Murugaian 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.

Pursuant to section 160 Companies Act, 2013 the Nomination and Remuneration Committee and also the Board of Directors have recommended the candidature of Mr. Anbunathan Murugaian for the office of Independent Directors in terms of the provisions of sections 149, 150 and 152 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Anbunathan Murugaian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 for the appointment as Independent Directors of the Company and he is independent of the management.

A copy of the letter of appointment of Mr. Anbunathan Murugaian 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. Anbunathan Murugaian, 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.

Mr. Anbunathan Murugaian'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.

Accordingly, the Board of Directors recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the shareholders of the Company.

Except Mr. Anbunathan Murugaian, 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. Anbunathan Murugaian is not related to any of the directors of the Company.

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

**Aniket Karmali
Company Secretary
ACS 47942**

**Dated: 28th May, 2018
Place: Margao-Goa**

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	Anbunathan Murugaian	Yogita Gautam Pai Kakode
DIN	02533205	01587954
Category	Independent Director	Director
Age	70 years	46 years
Date of First Appointment on Board	12 th February, 2018	31 st January, 2014
Nature of Expertise/ Experience in specific functional area	All technical matters relating to Gas cylinder Industry	Corporate Management
Directorship in other Companies	NIL	<ol style="list-style-type: none"> 1. Malabar Oxygen Co. Pvt. Ltd. 2. Bangalore Oxygen Co. Pvt. Ltd. 3. Foods & Beverages (India) Pvt. Ltd. 4. Madhav Poy Raiturcar Trading Co. Pvt. Ltd. 5. Poy Raiturcar Properties Pvt. Ltd.
Number of the Meetings of the Board attended during the year 2017-18	01	04
Membership of the Committees of the Board of other companies	NIL	NIL
Number of shares held in the Company	NIL	5556* Equity Shares
Relationship with other directors inter-se	Not related	Wife of Mr. Gautam V. Pai Kakode, Managing Director of the Company
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, she is entitled to sitting fees for attending meetings of the Board / Committee.

* The shares are held by Mrs. Yogita Gautam Pai Kakode jointly with Mr. Gautam V. Pai Kakode



BRIEF PROFILE OF MR. ANBUNATHAN MURUGAIAN

Mr. Anbunathan Murugaian, is a Graduate in Chemical Engineering from University of Madras in 1969.

After a stint at Chemplast at their PVC Plant in Mettur, TN, he joined Department of Explosives Government of India at Bombay in January 1971. He worked in various offices of Department of Explosives from 1971 to 2007 including holding the post of Chief Controller of Explosives. He retired from government service in the year 2007.

After his retirement he joined Luxfer Uttam India Private Limited, (subsidiary of the renowned Luxfer USA, the world leader in Aluminium cylinders), as Chairman and played a responsible role in putting up a manufacturing plant at Faridabad, New Delhi.



DIRECTORS' REPORT

Dear Members,

Your Directors place before you the 54th Annual Report of the Company together with statement of Accounts for the Financial year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

	(Rs. in Lakhs)	
Particulars	F.Y. 2017-18	F.Y. 2016-17
Income		
Revenue from Operations	2733.21	2937.02
Other Income	87.81	38.60
Expenses	2656.76	2718.87
Profit Before Depreciation & Taxation	164.26	256.75
Less:		
Depreciation	158.17	164.02
Profit Before Tax (PBT)	6.09	92.73
Less:		
Provision for Taxation		
Current tax	3.00	45.90
Deferred Tax	(6.55)	(22.38)
Profit after Tax (PAT)	9.64	69.21
Other Comprehensive Income	0.19	(9.50)
Total Comprehensive Income for the year	9.83	59.71

2. OPERATIONS:

The Company has adopted Indian Accounting Standards ("Ind-AS") notified by the ministry of corporate Affairs w.e.f 1st April, 2017 with a transition date being 1st April, 2016 and accordingly, the results for the year ended 31st March, 2018 have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The figures for the corresponding previous period have been restated/ regrouped wherever necessary to confirm to the classification of the current period.

Revenue from operations for the year ended 31st March, 2018 was Rs. 2733.21 lakhs compared to Rs. 2937.02 lakhs for the year ended 31st March, 2017. During the year under review the revenue from operations has fallen by 203.81 lakhs mainly on account of lower sales. Further, despite of fall in turnover, gross profit percentage and absolute gross profit has improved due to increase in selling prices and better product mix composition.

3. DIVIDEND AND TRANSFER TO GENERAL RESERVE:

Your Directors recommend a Dividend of 25 percent (Rs.25/- per equity share) for the financial year ended 31st March, 2018 as compared to 35 percent (Rs.35/- per equity share) paid in the previous year.

The Company proposes to transfer Rs. 20 Lakhs to the General Reserve.



4. SHARE CAPITAL

The paid-up Equity Share Capital as at 31st March, 2018 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:

Mrs. Yogita Gautam Pai Kakode (DIN: 01587954) retires by rotation at the forthcoming Annual General Meeting and being eligible has offered herself for re-appointment.

Mr. Anbunathan Murugaian (DIN 02533205) was appointed as Additional Director of the Company in the category of Independent Director w.e.f. 12th February, 2018 as per the provisions of Section 161 (1) of the Companies Act, 2013 and he shall hold office upto the date of ensuing Annual General Meeting. Upon the recommendation of the Nomination and Remuneration Committee, the Board recommends the appointment of Mr. Anbunathan Murugaian (DIN 02533205) as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years upto 11th February, 2023, for approval of the members at the ensuing Annual 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 54th Annual General Meeting.

Mrs. Geeta S Prabhudesai has been appointed as Chief Financial Officer (KMP) w.e.f. 12th February, 2018 at the Board Meeting held on 12th February, 2018. Prior to this, Mr. Shashikanth R. Devaramani and Mr. Indrakumar N. who were designated as CFO resigned from the office on 8th August, 2017 and 17th August, 2017 respectively. Mr. Aniket Karmali, Company Secretary continues to function as Key Managerial Personnel of the Company during the year under review.

8. MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, the Board of Directors of the Company met 4 (Four) times on 26th May, 2017, 10th August, 2017, 27th November, 2017, and 12th February, 2018.

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 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. Accordingly, appropriate resolution considering this statutory amendment has been proposed in the Notice of 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, 2018 form part of this Annual Report. The statutory auditors have submitted an unmodified opinion on the audit of financial statements for the FY 2017-18.

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 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 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 2017-18 on 26th May, 2017, 10th August, 2017, 27th November, 2017 and 12th February, 2018.

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	Independent Director	4	4
Mr. Gautam V. Pai Kakode	Member	Managing Director	4	4
Mr. Jayendra V. Gaitonde*	Member	Independent Director	4	2

* Mr. J. V. Gaitonde was inducted into the Audit Committee w.e.f. 27th November, 2017.

(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 Nomination and Remuneration 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 two times during the financial year 2017-18 on 10th August, 2017 and 12th February, 2018.

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	2	1
Mr. Sripad P. Patnekar	Member	Independent Director	2	2
Mr. Jayendra V. Gaitonde	Member	Independent Director	2	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 2017-18 on 27th November, 2017.

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

21. BOARD EVALUATION:

The annual evaluation of 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, and 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, 2018; 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, 2018 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, 2018 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 provisions of 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 / ACKNOWLEDGEMENT

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

Gautam V. Pai Kakode
Managing Director
DIN: 02395512

Motilal S. Keny
Director
DIN: 06813111

Margao - Goa
28th May, 2018



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 31.03.2018

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	“Govind Poy House”, Rua do Padre Miranda, Margao-Goa-403601. Tel: 0832 2724863 Email: sglgoa@southernngasindia.com Website: www.southernngasindia.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 Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059. Phone No.: 022- 262638200 Fax No.: 022-262638299 Email: investor@bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main Products /services	NIC Code of the Products/services	% to total turnover of the Company
1	Oxygen	20111	57.36
2	Nitrous Oxide	21009	17.17

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, 2017)				No of shares held at the end of the year (As on 31 st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual	0	10006	10006	44.47	3976	7130	11106	49.36	4.89
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	0	3300	3300	14.67	Nil
e) Banks/FI	0	0	0	0	0	0	0	0	Nil
f) Any other	0	0	0	0	0	0	0	0	Nil
Subtotal (A) (1)	0	13306	13306	59.14	3976	10430	14406	64.03	4.89
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)	0	13306	13306	59.14	3976	10430	14406	64.03	4.89
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	0	2600	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)	0	3135	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 , 2017)				No of shares held at the end of the year (As on 31 st March, 2018)				% 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	0	5849	5849	26%	520	4133	4653	20.68	(5.32)
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	0	0	0	0	96	0	96	0.43	0.43
Sub-total (B) (2)	0	6059	6059	26.93	616	4343	4959	22.04	(4.89)
Total Public Shareholding (B)=(B) (1)+(B)(2)	0	9194	9194	40.86	3216	4878	8094	35.97	(4.89)
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	0	22500	22500	100%	7192	15308	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	5006	22.25	0	5556	24.69	0	2.44
2	Gautam V. Pai Kakode	5000	22.22	0	5550	24.67	0	2.45
3	Foods & Beverages (India) Pvt. Ltd	3300	14.67	0	3300	14.67	0	Nil
	Total	13306	59.14	0	14406	64.03	0	4.89

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 01/04/2017		5006	22.25	5006	22.25
	Date	12/09/2017	550	2.44	5556	24.69
	Increase / Decrease	Increase				
	Reason	Purchase				
	At the end of the year 31/03/2018		--	--	5556	24.69
2	Gautam V. Pai Kakode					
	At the beginning of the year 01/04/2017		5000	22.22	5000	22.22
	Date	22/08/2017	550	2.45	5550	24.67
	Increase / Decrease	Increase				
	Reason	Purchase				
	At the end of the year 31/03/2018		--	--	5550	24.67
3	Foods & Beverages (India) Pvt. Ltd					
	At the beginning of the year 01/04/2017		3300	14.67	3300	14.67
	Date wise increase/decrease in shareholding during the year		--	--	--	--
	At the end of the year 31/03/2018		--	--	3300	14.67

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 01/04/2017	1500	6.67	1500	6.67
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	1500	6.67
2	Oriental Insurance Co. Ltd				
	At the beginning of the year 01/04/2017	1100	4.89	1100	4.89
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	1100	4.89
3	Syndicate Bank				
	At the beginning of the year 01/04/2017	535	2.37	535	2.38
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	535	2.38
4	Shri. Upendra Krishna Naik				
	At the beginning of the year 01/04/2017	435	1.93	435	1.93
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	435	1.93
5	Shri Keshav Krishna Naik				
	At the beginning of the year 01/04/2017	435	1.93	435	1.93
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	435	1.93
6	Shri Bhagwant Krishna Naik				
	At the beginning of the year 01/04/2017	435	1.93	435	1.93
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	435	1.93
7	Shri Suhas NarcinvaPai Angle				
	At the beginning of the year 01/04/2017	500	2.22	500	2.22
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	500	2.22
8	Shri Vilas Naracinva Pai Angle				
	At the beginning of the year 01/04/2017	500	2.22	500	2.22
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2018	--	--	500	2.22

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
9	Shri. Sanat D. Poy Raiturcar					
	At the beginning of the year 01/04/2017		700	3.11	700	3.11
	Date	22/08/2017	300	1.33	400	1.78
	Increase / Decrease in shareholding	Decrease				
	Reason	Transfer				
	At the end of the year 31/03/2018		--	--	400	1.78
10	Shri. Datta E Poy Raiturcar*					
	At the beginning of the year 01/04/2017		800	3.55	800	3.55
	Date	12/09/2017	800	3.55	0	0.00
	Increase / Decrease in shareholding	Decrease				
	Reason	Transfer				
	At the end of the year 31/03/2018		--	--	0	0.00

*Not in the list of top 10 shareholders as on 31/03/2018 but the same has been included above since the shareholder was one of the top 10 shareholders as on 01/04/2017.

v. Shareholding of Directors and Key Managerial Personnel*

Sr. No	Shareholding of each Director and each Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Yogita Gautam Pai Kakode					
	At the beginning of the year 01/04/2017		5006	22.25	5006	22.25
	Date	12/09/2017	550	2.44	5556	24.69
	Increase / Decrease	Increase				
	Reason	Purchase				
	At the end of the year 31/03/2018		--	--	5556	24.69
2	Gautam V. Pai Kakode					
	At the beginning of the year 01/04/2017		5000	22.22	5000	22.22
	Date	22/08/2017	550	2.45	5550	24.67
	Increase / Decrease	Increase				
	Reason	Purchase				
	At the end of the year 31/03/2018		--	--	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	25.54	-	-	25.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	25.54	-	-	25.54
Change in indebtedness during the financial year				
Addition	77.27	-	-	77.27
Reduction	-	-	-	-
Net Change	77.27	-	-	77.27
Indebtedness at the end of the financial year				
i) Principal Amount	102.81	-	-	102.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	102.81	-	-	102.81

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	78,00,000	78,00,000
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 -others, specify	Nil	Nil
Others, please specify Contribution to Provident Fund	21,600	21,600
Total (A)	78,21,600	78,21,600

B. Remuneration to other Directors:

(Amount in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount
Independent Directors	Jayendra V. Gaitonde	Sripad P. Patnekar	Ranganath N. Prabhu	Anbunathan Murugaian	
Fee for attending Board /committee meetings	9,000	12,000	6,000	3,000	30,000
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (1)	9,000	12,000	6,000	3,000	30,000
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)					54,000

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

(Amount in Rs.)

Particulars of Remuneration	Key Managerial Personnel				Total
	Shashikanth R. Devaramani CFO upto 08.08.2017	Indrakumar N. CFO upto 17.08.2017	Geeta Prabhudesai CFO* w.e.f. 12.02.2018	Aniket Karmali CS	
Gross Salary					
(a) Salary as per provisions contained in section 17 (1) of the Income Tax act, 1961	277,550	12,857	49,407	319,233	659,047
(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	7,665	Nil	2,929	20,793	31,387
Other Benefits	36,753		7,824	52,666	97,243
Total	321,968	12,857	60,160	392,692	787,677



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

Gautam V. Pai Kakode
Managing Director
DIN: 02395512

Motilal S. Keny
Director
DIN: 06813111

Margao - Goa
28th May, 2018

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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

(Amount in Rs.)

Sr. No.	Name of Director / KMP and Designation	Designation	Remuneration paid in FY 2017-18	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Gautam V. Pai Kakode	Managing Director	78,21,600	99.44	33.12 :1
2.	Mrs. Yogita G. Pai Kakode*	Director	12,000*	Nil	Nil
3.	Mr. N.R. Prabhu*	Independent Director	6,000*	Nil	Nil
4.	Mr. S. P. Patnekar*	Independent Director	12,000*	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. Anbunathan Murugaian**	Additional Director (Independent)	3,000*	Nil	Nil
8.	Mr. Shashikanth R. Devaramani [#]	CFO	321,968	Nil	N.A.
9.	Mr. Indrakumar N. [#]	CFO	12,857	Nil	N.A.
10.	Mrs. Geeta S. Prabhudesai**	CFO	60,160	Nil	N.A.
11.	Mr. Aniket Karmali	Company Secretary	392,692	Nil	N.A.

* Paid sitting fees for attending Board Meetings.

** Mr. Anbunathan Murugaian was appointed as Additional Director (Independent) w.e.f. 12th February, 2018.

Mrs. Geeta S. Prabhudesai was appointed as CFO w.e.f. 12th February, 2018.

Mr. Shashikanth R. Devaramani & Mr. Indrakumar N. who were designated as CFO resigned from the office of CFO w.e.f. 08.08.2017 & 17.08.2017 respectively.

- ii) The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2017-18 was 9.40%
- iii) There were 113 permanent employees on the rolls of the Company as on 31st March, 2018.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 9.75% whereas the increase in the managerial remuneration for the same financial year was 69.62 %. (Remuneration of the Managing director was increased w.e.f. 1st February, 2017).
- 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, 2018.

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	M. Satheesh Prabhu	Plant Engineer
4	Jagannath G.R	Manager - Accounts & Admin.
5	Pramod Kumar. V. Mallya	Dy. Manager QC & EDP
6	Sangeeta Devi	Sr. Clerk/Chemist
7	N. Moses	Plant supervisor
8	Nandagopal V.	Sales officer
9	V. Sobha	Asst. Accounts Manager
10	M.N. Vishwanathan	Operator

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

Gautam V. Pai Kakode
Managing Director
DIN: 02395512

Motilal S. Keny
Director
DIN: 06813111

Margao - Goa
28th May, 2018

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 inturn 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:

PARTICULARS	2017-18	2016-17
Earning in Foreign Exchange	---	---
Expenditure in Foreign Exchange	10,75,135	16,408,266
CIF value of Imports	3,922,923	16,351,379

For and on Behalf of The Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN: 02395512

Motilal S. Keny
Director
DIN: 06813111

Margao - Goa
28th May, 2018

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). India's GDP is estimated to grow 6.6 per cent in 2017-18 and is expected to grow 7.3 percent in 2018-19.

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', nation wide 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 Union Budget for FY 2018-19 announced by Mr Arun Jaitley, Union Minister for Finance, Government of India will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. This year's budget also unveiled world's largest government funded health care programme, a new National Health Protection Scheme under which a health coverage of upto Rs 5 lakh per family will be offered for secondary and tertiary care hospitalization. The government is also committed to establishing 1.5 lakh Health and Wellness Centres under the Ayushman Bharat program.

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.

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

India industrial gases market was valued at \$ 2.1 billion in 2017 and is forecast to grow at a CAGR of over 11% to surpass \$ 3.9 billion in 2023 on account of growing demand from metal industry, particularly steel. Nitrogen, Oxygen and Argon are the most commonly used industrial gases. They are used in a wide range of industries, which include oil & gas, petrochemicals, chemicals, power, mining, steelmaking, metals, environmental protection, medicine, pharmaceuticals, biotechnology, food, water, fertilizers, nuclear power, electronics and aerospace.

(Source: Industrial Gases Market Forecast 2023)

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 and booming food & beverages 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 Railway Tenders in Hubli and Mysore which added major quantities to our business. We believe that application of industrial and other gases will grow in all areas of manufacturing industry. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.

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

With increasing government initiatives towards developing India's manufacturing sector, coupled with rapid industrialization, demand for industrial gases is anticipated to grow steadily. 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's internal control system is commensurate with its size, scale and complexities of its operations. Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new / revised standard operating procedures. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.



Discussion on financial performance with respect to operational performance.

Operational Performance Highlights:

(Rs. in Lakhs)

Particulars	F.Y. 2017-2018	F.Y. 2016-2017
Revenue from Operations	2733.21	2937.02
Expenses:		
Cost of material consumed	1065.27	1248.32
Gross Profit	1667.95	1688.70
Gross Profit	61.03%	57.50%

*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 fallen by 6.93 % mainly on account of lower sales. However, despite of fall in turnover, gross profit percentage has improved due to increase in selling prices and better product mix composition.

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

Industrial relations across the company's plants were cordial during the year under review. The Company employed 13 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

Gautam V. Pai Kakode
Managing Director
DIN: 02395512

Motilal S. Keny
Director
DIN: 06813111

Margao - Goa
28th May, 2018



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

Form no. MR-3

[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,
Govind Roy House,
Rua Do Padre Miranda
Margoa, Goa- 403601

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 (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 2018 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:-

The promoter(s) and promoter group shareholding were in physical form during the audit period and the process of dematerializing the same has been initiated.

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, 2018

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, 2018

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 Geeta S. Prabhudesai, Assistant 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 31st March, 2018 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

Geeta S. Prabhudesai
Chief Financial Officer

Place: Margao-Goa
Date: 15th May, 2018



INDEPENDENT AUDITORS' REPORT

To,
The Members
The Southern Gas Limited
Margao, Goa

Report on the Financial Statements

We have audited the accompanying financial statements of THE SOUTHERN GAS LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss, the Statement of Cash flows and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit



procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

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, 2015, we give in the Annexure "A" - 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 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. 2.32 to the accounts. The impact if any, on the financial position on final settlement of the litigation is not ascertainable.
 - (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

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

Place: Margao-Goa
Date: 28th May, 2018



**ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2018**

- (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 except for Goods and Service Tax amounting to Rs.8,65,257/-. As per explanations given to us, this amount was outstanding due to certain technical issues connected to the Common Portal.*
- (c) According to the information and explanations given to us and as per verification of records of the company, disputed amounts of taxes which have not been deposited with the authorities as at 31.03.2018 as per details given below :

Name of the Statute	Nature of dues	Amount in Rupees	Forum where pending	Period to which it relates
Income Tax Act, 1961	Income Tax and Interest	1,01,320	CIT(A), Kochi	AY 2014-15



- (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

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

Place: Margao-Goa
Date: 28th May, 2018



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, 2018 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, 2018.

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

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

Place: Margao-Goa
Date: 28th May, 2018



THE SOUTHERN GAS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2.01	1148,24,157	900,70,347	980,02,348
(b) Capital work-in-progress	2.01	7,98,246	-	-
(c) Financial assets				
(i) Non - Current Investments	2.02	10,000	10,000	10,000
(ii) Loans & Advances	2.03	112,38,299	112,34,886	106,64,188
(d) Other non- current assets	2.04	1,32,417	11,95,685	3,52,507
Total non-current assets (A)		1270,03,118	1025,10,917	1090,29,043
Current Assets				
(a) Inventories	2.05	72,50,048	112,41,551	90,64,956
(b) Financial assets				
(i) Trade Receivables	2.06	496,81,109	473,13,370	516,80,860
(ii) Cash and cash equivalents	2.07	517,89,768	578,19,483	436,06,027
(iii) Other Current financial assets	2.08	3,78,821	3,45,148	3,77,866
(d) Current tax assets	2.09	41,75,483	24,73,007	4,84,179
(e) Other current assets	2.10	21,94,174	48,73,635	29,77,343
Total current assets (B)		1154,69,403	1240,66,193	1081,91,231
Total Assets (A+B)		2424,72,521	2265,77,111	2172,20,274
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.11	22,50,000	22,50,000	22,50,000
(b) Other Equity	2.12	1486,71,173	1486,37,963	1426,66,595
Total Equity (A)		1509,21,173	1508,87,963	1449,16,595
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Long Term Borrowings	2.13	45,35,066	-	2,51,990
(ii) Other non current financial liabilities	2.14	442,00,571	417,88,908	376,02,708
(b) Long Term Provisions	2.15	15,43,007	16,87,663	14,96,680
(c) Deferred tax liability (net)	2.16	71,31,600	77,86,600	100,25,000
Total non current liabilities (B)		574,10,244	512,63,171	493,76,378
Current Liabilities				
(a) Financial liabilities				
(i) Short Term Borrowings	2.17	26,70,291	23,02,152	-
(ii) Trade payables	2.18	111,00,063	107,88,251	124,84,496
(iii) Other Current financial liabilities	2.19	32,04,739	3,96,281	7,53,344
(b) Other current liabilities	2.20	135,37,293	89,90,009	78,60,341
(c) Short Term Provisions	2.21	36,28,718	19,49,284	18,29,120
Total current liabilities (C)		341,41,104	244,25,977	229,27,301
Total equity and Liabilities		2424,72,521	2265,77,111	2172,20,274

Significant Accounting Policies & Notes on accounts
The accompanying notes form an integral part of the financial statements

1 & 2

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

Aniket A. Karmali
Company Secretary
M.No. 47942

Geeta Prabhudesai
Chief Financial Officer

Place: Margao, Goa
Date: 28/05/2018

Place: Margao, Goa
Date: 28/05/2018



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

(Amount in Rupees)

Particulars		Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I.	Income			
	Revenue from operations	2.22	2766,84,111	3078,50,207
	Less: Excise duty		(33,62,847)	(141,47,934)
			2733,21,264	2937,02,273
II.	Other Income	2.23	87,80,827	38,60,390
III.	Total Income (I+II)		2821,02,091	2975,62,663
IV.	EXPENSES			
	a. Cost of materials consumed	2.24	776,05,324	980,48,406
	b. Purchase of traded goods	2.25	279,76,053	277,69,903
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	2.26	9,45,125	(9,86,102)
	d. Employee benefits expense	2.27	620,65,405	521,83,994
	e. Finance costs	2.28	8,24,610	2,25,665
	f. Depreciation and amortisation expenses	2.01	158,17,565	164,02,319
	g. Other expenses	2.29	962,59,252	946,45,260
	Total Expenses		2814,93,334	2882,89,444
V.	Profit before tax (III-IV)		6,08,757	92,73,218
VI.	Tax expense:			
	a. Current tax		3,00,000	45,90,000
	b. Deferred tax		(6,55,000)	(22,38,400)
VII.	Profit for the period (V-VI)		9,63,757	69,21,618
VIII.	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement of the net defined benefit liability / Asset		18,873	(9,50,251)
	Total Other Comprehensive Income		18,873	(9,50,251)
	Total Comprehensive Income for the period		9,82,630	59,71,367
	Earnings per equity share:			
	Nominal value of share Rs. 100/- (Rs. 100/-)			
	Basic and Diluted	2.30	43.67	265.39

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

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CA. Lorence J. Malekar

Partner

M. No. 024751

Aniket A. Karmali

Company Secretary

M. No. 47942

Geeta Prabhudesai

Chief Financial Officer

Place: Margao, Goa

Date: 28/05/2018

Place: Margao, Goa

Date: 28/05/2018



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

(Amount in Rupees)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flows from Operating Activities		
Total Comprehensive Income before tax	6,27,630	83,22,967
Adjustments for:		
- Depreciation	158,17,565	164,02,319
- Interest Income	(28,80,133)	(32,37,905)
- Interest expense	8,24,610	2,25,665
- Provision for Doubtful Debts/ (W/back)	(13,44,750)	-
- Bad debts written off	26,68,042	8,92,437
- Profit on Sale or write off of fixed assets	(8,31,262)	(5,24,475)
Sub total	142,54,072	137,58,042
Operating Profit before Working Capital Changes	148,81,702	220,81,010
Adjustments for working capital changes:		
(Increase)/ Decrease in Trade Receivables	(36,91,032)	34,75,054
(Increase)/ Decrease in Inventories	39,91,503	(21,76,595)
(Increase)/ Decrease in Loans and Advances (Non-Current)	(3,413)	(5,70,698)
(Increase)/ Decrease in Other Current Financial Assets	(33,673)	32,718
(Increase)/ Decrease in Current Tax Assets	(17,02,476)	(19,88,828)
(Increase)/ Decrease in Other Current Assets	26,79,461	(18,96,292)
(Increase)/ Decrease in Other Non Current Assets	10,63,268	(8,43,178)
Increase/ (Decrease) in Trade Payables	3,11,812	(16,96,245)
Increase/ (Decrease) in Short-Term Provisions	16,79,434	1,20,164
Increase/ (Decrease) in Long-Term Provisions	(1,44,656)	1,90,983
Increase/ (Decrease) in Other Non current Financial Liabilities	24,11,663	41,86,200
Increase/ (Decrease) in Other current Liabilities	45,47,285	11,29,667
Increase/ (Decrease) in Other Current Financial Liabilities	28,08,458	(3,57,063)
	139,17,633	(3,94,113)
Cash generated from Operations	287,99,335	216,86,896
Direct taxes	(3,00,000)	(45,90,000)
Cash flow before extraordinary Items	284,99,335	170,96,896
Extraordinary items	-	-
Net Cash from/(used) in Operating Activities	284,99,335	170,96,896
B Cash Flows from Investing Activities		
Purchase of Fixed Assets	(413,96,532)	(88,04,346)
Sale of Fixed Assets	8,58,174	8,58,503
Interest Received	28,80,133	32,37,905
Net Cash from/(used) in Investing Activities	(376,58,225)	(47,07,938)



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

(Amount in Rupees)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C Cash Flows from Financing Activities		
Proceeds/(Repayment) of Long Term Borrowings	45,35,066	(2,51,990)
Proceeds/(Repayment) of Short Term Borrowings	3,68,139	23,02,152
Interest paid	(8,24,610)	(2,25,665)
Dividends and Corporate Dividend Tax paid	(9,49,420)	-
Net Cash from/(used) in Financing Activities Summary	31,29,175	18,24,497
Net Cash from/(used) Operating Activities	284,99,335	170,96,896
Net Cash from/(used) in Investing Activities	(376,58,225)	(47,07,938)
Net Cash from/(used) in Financing Activities	31,29,175	18,24,497
Net Increase (Decrease) in Cash Equivalents	(60,29,715)	142,13,456
Cash and Cash Equivalents at beginning of the year	578,19,483	436,06,027
Cash and Cash Equivalents at the end of the year	517,89,768	578,19,483
	(60,29,715)	142,13,456

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

Aniket A. Karmali

Company Secretary

M. No. 47942

Geeta Prabhudesai

Chief Financial Officer

Place: Margao, Goa

Date: 28/05/2018

Place: Margao, Goa

Date: 28/05/2018



THE SOUTHERN GAS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31ST, 2018

(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, 2016	22,500	22,50,000
Changes in Equity Share Capital during the year	-	-
As at March 31st, 2017	22,500	22,50,000
Changes in Equity Share Capital during the year	-	-
As at March 31st, 2018	22,500	22,50,000

B) OTHER EQUITY

(Amount in Rupees)

Particulars	RESERVES & SURPLUS		Total
	General Reserve	Retained Earnings	
As at April 1, 2016	260,72,589	1165,94,006	1426,66,595
Profit/ (Loss) for the year		69,21,618	69,21,618
Other Comprehensive Income/ (Loss)		(9,50,251)	(9,50,251)
Total Comprehensive Income/ (Loss)		1225,65,373	
Transfer from Retained Earnings	20,00,000	(20,00,000)	-
As at March 31, 2017	280,72,589	1205,65,373	1486,37,962
Profit/ (Loss) for the year		9,63,757	9,63,757
Other Comprehensive Income/ (Loss)		18,873	18,873
Total Comprehensive Income/ (Loss)		1215,48,003	
Dividend Paid		(7,87,500)	(7,87,500)
Dividend Distribution Tax		(1,61,920)	(1,61,920)
Transfer from Retained Earnings	20,00,000	(20,00,000)	-
As at March 31, 2018	300,72,589	1185,98,583	1486,71,172

As per our report of even date attached

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

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

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

Aniket A. Karmali
Company Secretary
M. No. 47942

Geeta Prabhudesai
Chief Financial Officer

Place: Margao, Goa
Date: 28/05/2018

Place: Margao, Goa
Date: 28/05/2018

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders' equity as at 31 March, 2017 and 1 April, 2016 and of the comprehensive net income for the period ended 31 March, 2017. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013. These financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

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. |

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-inprogress 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.

vi) Impairment of Assets

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

vii) Depreciation/ Amortization

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

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

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

viii) Borrowing Costs

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

ix) Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance



Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

x) Inventories

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

xi) Investments

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

xii) Employee Benefits :

a) Short Term Employee Benefits

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

b) Defined Contribution Plans

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

c) Defined Benefit Plans

Gratuity:

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

d) Long term Employee benefits

Compensated Absences

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



(e) Termination Benefits:

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

xiii) Income taxes

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

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

xiv) Earnings per share

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

xv) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are neither recognised nor disclosed in the accounts.

xvi) Cash flow statement

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

xvii) Segmental Reporting

The Company operates in only one segment.



THE SOUTHERN GAS LIMITED

1. Significant accounting policies forming part of financials

(Amount in Rupees)

xviii) Explanation to Transition to Ind AS

The transition as at 1st April, 2016 was carried out from previous GAAP.

Reconciliations between Previous GAAP and IND AS

Other Equity Reconciliation

	As at 31st March, 2017	As at 1st April, 2016
Other Equity under previous GAAP	1486,37,963	1426,66,595
Adjustments under IND AS	-	-
Other Equity under IND AS	1486,37,963	1426,66,595

Comprehensive Income Reconciliation

	For the year ended 31st March, 2017
Profit under Previous GAAP	59,71,368
Employee Benefits	9,50,251
Profit under IND AS	69,21,619
Other Comprehensive Income (net of tax)	(9,50,251)
Comprehensive Income under IND AS	59,71,368

Note to reconciliations between Previous GAAP and IND AS:

Under Previous GAAP, actuarial gains and losses were recognised in the Statement of Profit and Loss. Whereas, under Ind AS, the actuarial gains and losses form part of re-measurement of net defined liability/asset which is recognised in Other Comprehensive Income in the respective periods. This has resulted in increase in profits by Rs.9,50,251/- (net of tax) for the year ended 31 March, 2017. However, the same does not result in difference in equity or total comprehensive income.

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 (Plant, Property and Equipment)										
Cost as at 1st April, 2016	108,75,060	11,94,903	283,79,628	2443,99,579	120,39,777	15,57,671	66,96,814	191,47,927	74,18,969	3317,10,328
Accumulated Depreciation as at 1st April, 2016	-	1,88,902	84,20,343	1907,28,632	105,16,180	12,15,780	36,66,196	124,19,619	65,52,327	2337,07,979
Net Carrying amount as at 31st March, 2016	108,75,060	10,06,001	199,59,285	536,70,947	15,23,597	3,41,891	30,30,618	67,28,308	8,66,642	980,02,348
Cost as at 1st April, 2016	108,75,060	11,94,903	283,79,628	2443,99,579	120,39,777	15,57,671	66,96,814	191,47,927	74,18,969	3317,10,328
Additions	-	-	9,40,613	73,83,266	-	-	1,29,715	-	3,50,752	88,04,346
Deductions	-	-	-	6,29,175	-	-	-	4,12,935	-	10,42,110
Cost as at 31st March, 2017	108,75,060	11,94,903	293,20,241	2511,53,670	120,39,777	15,57,671	68,26,529	187,34,992	77,69,721	3394,72,564
Accumulated Depreciation as at 1st April, 2016	-	1,88,902	84,20,343	1907,28,632	105,16,180	12,15,780	36,66,196	124,19,619	65,52,327	2337,07,979
Depreciation for the year	-	14,396	7,43,465	119,46,202	5,44,141	69,257	6,29,731	21,05,014	3,50,112	164,02,318
Sales/Adj.	-	-	-	2,95,148	-	-	-	4,12,935	-	7,08,083
Accumulated Depreciation as at 31st March, 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
Net Carrying amount as at 31st March, 2017	108,75,060	9,91,605	201,56,433	487,73,984	9,79,456	2,72,634	25,30,602	46,23,294	8,67,282	900,70,347
Cost as at 1st April, 2017	108,75,060	11,94,903	293,20,241	2511,53,670	120,39,777	15,57,671	68,26,529	187,34,992	77,69,721	3394,72,564
Additions	-	78,36,170	4,36,587	176,99,337	-	62,478	70,402	136,89,575	8,03,737	405,98,286
Deductions	-	-	-	1,27,855	-	-	-	18,69,371	-	19,97,226
Cost as at 31st March, 2018	108,75,060	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
Accumulated 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
Depreciation 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
Accumulated Depreciation 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
Net Carrying amount as at 31st March, 2018	108,75,060	88,13,379	197,45,813	560,79,896	4,35,315	2,63,871	19,85,780	163,90,783	12,34,263	1148,24,157
B) Capital Work In Progress										
Cost as at 1st April, 2016										-
Additions										-
Deductions										-
Cost as at 31st March, 2017										-
Additions										7,98,246
Deductions										-
Cost as at 31st March, 2018										7,98,246

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.02 Financial Assets (Non Current Investments)			
Non-Trade (Unquoted):-			
National Savings Certificate	10,000	10,000	10,000
	10,000	10,000	10,000
2.03 Financial Assets (Loans & Advances)			
(Unsecured, Considered Good)			
Security Deposits #	112,38,299	112,34,886	106,64,188
	112,38,299	112,34,886	106,64,188
# Includes Rs.20 Lakhs (PY Rs. 20 Lakhs) due from Directors.			
2.04 Other Non Current Assets			
Capital Advances	-	8,05,620	-
Prepaid expenses	1,32,417	3,90,065	3,52,507
	1,32,417	11,95,685	3,52,507
2.05 Inventories			
a) Raw materials	14,04,159	45,16,289	34,20,273
b) Finished/Purchased goods	16,79,162	26,24,287	16,38,185
c) Stores & Spares	40,69,679	40,05,358	39,09,133
d) Sundry Materials	97,049	95,617	97,365
	72,50,048	112,41,551	90,64,956
Method of valuation of inventories - Refer Note 1(x) in Significant Accounting policies			
2.06 Trade Receivables			
i) Outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured, Considered Good	-	-	-
- Unsecured, Considered Doubtful	35,09,350	48,54,100	41,58,665
less: Provision for doubtful debts	(35,09,350)	(48,54,100)	(41,58,665)
	-	-	-
ii) Other Receivables			
Unsecured, Considered Good	496,81,109	473,13,370	516,80,860
	496,81,109	473,13,370	516,80,860
2.07 Cash and Cash Equivalents			
i) Balances with Banks			
In Current Accounts	152,37,159	124,79,839	88,39,207
In Deposit Accounts	363,03,170	446,63,023	329,70,267
ii) Cash On Hand	1,53,544	2,49,290	2,27,492
iii) Remittances	12,709	3,50,000	15,00,000
iv) Unclaimed Dividend	83,184	77,330	69,060
	517,89,768	578,19,483	436,06,027
2.08 Other Current Financial Assets			
Interest receivable	3,78,821	3,45,148	3,77,866
	3,78,821	3,45,148	3,77,866
2.09 Current Tax Assets			
Advance Income Tax	41,75,483	24,73,007	4,84,179
(Net of Provision for Taxes)			
	41,75,483	24,73,007	4,84,179
2.10 Other Current Assets			
Balances with Revenue Authorities	6,38,313	12,34,627	16,80,425
Advances recoverable in cash or in kind or for value to be received	7,22,570	27,56,324	4,34,954
Prepaid Expenses	8,33,291	8,82,684	8,61,964
	21,94,174	48,73,635	29,77,343

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

2.11 Share Capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Capital:			
30,000 (PY: 30,000) Equity shares of Rs. 100/- each	30,00,000	30,00,000	30,00,000
20,000 (PY: 20,000) Unclassified shares of Rs. 100/- each	20,00,000	20,00,000	20,00,000
Total	50,00,000	50,00,000	50,00,000
Issued and Subscribed and fully paid:			
22,500 (PY: 22,500) Equity shares of Rs. 100/- each	22,50,000	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, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,500	22,50,000	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	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, 2018		As at 31st March, 2017		As at 1st April, 2016	
	%	No. of shares	%	No. of shares	%	No. of shares
1 Smt. Yogita Gautam Pai Kakode	24.69%	5,556	22.25%	5,006	22.25%	5,006
2 Shri Gautam Pai Kakode	24.67%	5,550	22.22%	5,000	22.22%	5,000
3 Life Insurance Corpn. of India	6.67%	1,500	6.67%	1,500	6.67%	1,500
4 M/s. Food & Beverages (India) Pvt.Ltd.	14.67%	3,300	14.67%	3,300	14.67%	3,300





THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

Terms/ Rights attached to Equity shares

- 2.11.1** 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.
- 2.11.2** The dividend proposed/ declared by the Board of Directors is subject to approval of the shareholders in the ensuring Annual General Meeting.
- 2.11.3** 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.
- 2.11.4** During any of the last five years ending 31 Mar 2018-
- a) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash
 - b) No bonus shares were allotted.
 - c) No shares were bought back

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.12 Other Equity			
General Reserves			
Opening Balance	280,72,589	260,72,589	240,72,589
Add :- Amount Transferred from Surplus	20,00,000	20,00,000	20,00,000
Closing Balance	300,72,589	280,72,589	260,72,589
Retained Earnings			
Opening Balance	1205,65,374	1165,94,006	1092,76,873
Add:-Total Comprehensive Income for the year as per P/L	9,82,630	59,71,368	102,65,868
Amount available for appropriation	1215,48,004	1225,65,374	1195,42,741
Less:- Appropriation			
-Dividend on Equity Shares	7,87,500	-	7,87,500
-Tax on dividend	1,61,920	-	1,61,235
-Transfer to General Reserve	20,00,000	20,00,000	20,00,000
Closing Balance	1185,98,584	1205,65,374	1165,94,006
Total Other Equity	1486,71,173	1486,37,963	1426,66,595
2.12.1 The Board of Directors have proposed an equity dividend of Rs. 25/- (PY Rs.35/-) per share for the financial year ending 31.03.2018 at their meeting held on 28th May 2018, 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 which the obligation to pay is established.			
2.13 Financial Liabilities (Long-term borrowings)			
Secured			
Term Loans from Bank	45,35,066	-	2,51,990
	45,35,066	-	2,51,990
2.13.1. The term loans of Rs. 45,35,066 (Rs.Nil/-) are secured by hypothecation of Motor Vehicles financed. The Loans bear interest rates of 8.00% p.a & 8.80% p.a respectively			
2.13.2 Principal amount of Loans to be repaid completely by March 2021 in Equal monthly instalments of Rs.2,98,437/-.			
2.13.3 Current maturities of Long term borrowings are disclosed under other current liabilities in Note No.2.19			
2.14 Other Non Current Financial Liabilities			
Deposits against gas cylinders	442,00,571	417,88,908	376,02,708
	442,00,571	417,88,908	376,02,708
2.15 Long Term Provisions			
- Leave Enchashment	15,43,007	16,87,663	14,96,680
- Gratuity	-	-	-
Total	15,43,007	16,87,663	14,96,680
2.16 Deferred Tax Liabilities-(net)			
A. Deferred Tax Liability			
-On excess of net book value over Income tax written	100,58,980	122,51,200	138,83,000
B. Deferred Tax Assets			
- On Provisions	(9,03,680)	(15,51,400)	(24,83,000)
- On other disallowances	(20,23,700)	(29,13,200)	(13,75,000)
Deferred Tax Liabilities (Net) (A-B)	71,31,600	77,86,600	100,25,000

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

	(Amount in Rupees)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.17 Financial Liabilities (Short-term borrowings)			
Working capital loan from Bank - Secured	26,70,291	23,02,152	-
2.17.1 (Secured by hypothecation of raw materials, semi finished goods, finished goods, stores & spares and book debts)			
	26,70,291	23,02,152	-
2.17.2 Short Term Borrowings bear an interest rate of 12.60% p.a.			
2.18 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	111,00,063	107,88,251	124,84,496
	111,00,063	107,88,251	124,84,496
Note:			
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.			
2.19 Other Current Financial Liabilities			
Current maturities of long term borrowings	30,75,381	2,51,951	6,13,284
Unclaimed Dividend *	82,358	77,330	69,060
Deposits	47,000	67,000	71,000
	32,04,739	3,96,281	7,53,344
2.20 Other Current Liabilities			
-Statutory Dues	76,43,326	19,84,147	15,90,677
-Payable to Employees	55,46,915	55,18,546	50,95,018
-Advance from Customers	3,47,053	14,87,315	11,74,646
	135,37,293	89,90,009	78,60,341
* No amount is due for payment to Investor Education and Protection Fund.			
2.21 Short-term Provisions			
a) Provision for employee benefits [See Note 2.35]			
- Gratuity	35,17,607	18,13,686	7,61,226
- Leave encashment	1,11,111	1,35,598	1,19,159
b) Others	-	-	9,48,735
	36,28,718	19,49,284	18,29,120

THE SOUTHERN GAS LIMITED

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
2.22 Revenue From Operations		
Sale of Products		
Gross Sales	2518,76,253	2817,91,680
Other operating Revenue		
Cylinder handling and maintenance charges	127,12,307	105,97,585
Freight charges recovery	81,07,295	106,60,332
Penalty for delayed return of cylinders	39,88,256	48,00,609
	2766,84,111	3078,50,207
Less: Excise Duty *	33,62,847	141,47,934
Total	2733,21,264	2937,02,273

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

2.22.1 Details of Sale of Products (Net of Excise Duty)

Finished goods		
Oxygen	596,23,652	564,32,208
Dissolved Acetylene	200,50,818	364,79,519
Liquid Nitrogen	26,44,844	28,09,592
Nitrogen	105,07,178	116,53,432
Liquid Oxygen	150,65,773	128,40,977
Medical Oxygen	678,66,545	691,79,962
Compressed Air	4,91,078	3,32,365
Carbon Dioxide	53,07,876	34,05,976
Argon	170,74,207	189,05,312
Nitrous Oxide	426,88,245	471,92,178
Other Items	13,96,203	19,75,528
Hydrogen	8,00,658	17,45,492
ACM	35,56,196	31,46,003
ANM	1,04,000	53,839
AHM	53,305	11,61,564
AOM	1,050	-
Helium	7,00,341	-
Lime Sludge	94,037	-
Freon gas	4,87,400	3,29,800
Total	2485,13,406	2676,43,747

2.23 Other Income

Interest	28,80,133	32,37,905
Gain on Foreign Exchange Fluctuation (net)	70,986	98,009
Profit on sale of fixed assets (net)	8,31,262	5,24,475
Provision for doubtful debts w/back	13,44,750	-
Unclaimed Cylinder Deposits w/back	29,93,808	-
Misc credit balances w/back	5,76,721	-
Miscellaneous Income	83,168	-
Total	87,80,827	38,60,390

2.24 Cost of Materials consumed

Opening Stock	45,16,289	34,20,274
Purchases	744,93,193	991,44,422
	790,09,482	1025,64,695
Less: Closing Stock	14,04,159	45,16,289
Cost of Materials consumed	776,05,324	980,48,406

THE SOUTHERN GAS LIMITED

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
2.24.1 Details of major raw material and components consumed		
Liquid Oxygen	373,64,058	426,51,784
Calcium Carbide	64,41,014	201,73,552
Ammonium Nitrate	255,25,690	274,92,122
Argon	76,01,444	75,14,772
Others	6,73,117	2,16,176
	776,05,324	980,48,406
2.25 Purchase of Traded goods		
Oxygen	7,13,012	7,19,452
Liquid oxygen	53,55,474	45,20,289
Dissolved Acetylene	88,39,870	84,77,103
Helium	4,49,991	4,54,915
Nitrogen & Dry Nitrogen	6,06,322	16,10,766
Liquid Nitrogen	2,66,858	-
Mixture Gas	1,43,470	-
Nitrous Oxide	51,79,660	58,00,063
Medical Oxygen	7,95,450	8,75,747
Argon	17,20,892	20,31,138
Carbon Di-Oxide	26,81,124	15,78,560
Hydrogen	3,32,477	8,37,227
Freon gas	2,41,360	1,05,822
ACM/AHM	2,88,864	1,51,495
Compressed Air/cylinder	3,55,831	6,07,326
Others	5,400	-
	279,76,053	277,69,903
2.26 (Increase)/Decrease in Inventories of finished goods, work in progress and stock in trade		
Opening Stock	26,24,287	16,38,185
Closing Stock of finished goods	16,79,162	26,24,287
(Increase)/Decrease	9,45,125	(9,86,102)
2.26.1 Detail of Opening Stock of finished goods		
Oxygen	5,84,379	4,63,527
Dissolved Acetylene	6,31,910	3,08,175
Nitrogen	1,43,747	1,37,557
Argon	1,96,193	1,29,207
Nitrous Oxide	6,24,590	2,69,113
Others	4,43,468	3,30,607
Total	26,24,287	16,38,185
2.26.2 Detail of Closing 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

THE SOUTHERN GAS LIMITED

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
2.27 Employee Benefits Expense		
Salaries & Wages	534,17,508	449,89,121
Contributions to Provident and other funds	58,12,571	39,13,467
Workmen and Staff Welfare Expenses	28,35,326	32,81,406
	620,65,405	521,83,994
2.28 Finance Cost		
Interest expense	8,24,610	2,25,665
	8,24,610	2,25,665
2.29 Other Expenses		
Power, Fuel & Water	441,24,786	385,41,629
Consumption of Stores, Spares & Consumables	37,78,139	49,54,551
Rent	30,66,980	27,60,419
Repairs and Maintenance		
a) Buildings	5,12,236	15,51,098
b) Plant & Machinery	27,20,619	53,18,259
c) Others	13,77,420	14,69,728
d) Vehicles (including vehicle running expenses)	150,81,570	162,29,224
Insurance	5,14,263	5,82,940
Rates & Taxes	18,50,756	29,70,807
Traveling Expenses	31,51,697	34,60,025
Donations	2,90,001	3,31,605
Printing, Stationery, Postage & Telephone	18,16,625	20,40,270
Auditors Remuneration- (see note below)	7,27,115	10,83,007
Advertisement	4,10,955	2,80,376
Legal & Other Professional charges	20,65,918	15,86,303
Security Charges	38,80,608	38,25,207
Bank charges	3,26,305	4,04,600
Directors' sitting fees	54,000	81,000
Freight & Carriage (Net)	50,18,077	26,32,498
Provision for Doubtful debts	-	6,95,435
Bad debts written off	26,68,042	8,92,437
Miscellaneous expenses	28,23,138	29,53,843
	962,59,252	946,45,260
Note 2.29.1		
Auditor's Remuneration:-		
a. Statutory Audit fees	2,44,687	4,10,721
b. Tax matters - (including tax audit)	85,000	1,56,215
c. For Reimbursement of Expenses	3,97,428	5,16,071
	7,27,115	10,83,007

THE SOUTHERN GAS LIMITED

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

(Amount in Rupees)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
2.30 Earnings per share		
Total Comprehensive Income for the period	9,82,630	59,71,367
Weighted average number of Equity shares of Rs.100 each	22,500	22,500
Earnings per Share (Basic & Diluted)	43.67	265.39

2.31 In the opinion of the Directors

- 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.
- All known liabilities other than contingent liabilities are provided for.

- 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.

2.32 Contingent liabilities not provided for:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(1) Claims against the Company not acknowledged as debts:		
a. Income Tax (See Note 2.32.2(i))	1,01,320	1,01,320
b. Accident Claim (See Note 2.32.2.(ii))	5,00,000	5,00,000
(2) Guarantees issued by the bank on behalf of the Company	30,92,863	77,57,631

2.32.2(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.

2.32.2(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 is pending before the authorities. The company had been legally advised that the petitions issued against them are not sustainable, and hence no provision is considered at this stage.

2.33 Estimated amount of contracts remaining to be executed on capital account- Rs. Nil (PY Rs. Nil)

2.34 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	78,00,000	39,00,000
Contribution to PF	21,600	21,600

Total Remuneration

78,21,600	39,21,600
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THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

Note 2.35

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, 2018	As at 31st March, 2017
Employer's contribution to Provident Fund	23,57,951	23,98,047
Employer's contribution to Employee's State Insurance	9,01,003	6,50,478

B) Defined Benefit Plans - Gratuity (Funded)

C) Long term Employee Benefits - Compensated absences Unfunded obligation

i	Actuarial Assumptions	Gratuity		Compensated Absences	
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Discount Rate (per annum)	7.50%	8.00%	8.00%	8.00%
	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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	-Present value of obligation at beginning of the year	107,38,195	95,86,863	18,23,261	16,15,839
	-Current Service Cost	7,18,414	7,30,347	6,61,008	6,90,253
	-Interest Cost	8,32,305	7,96,163	1,39,943	1,56,877
	-Actuarial (gain)/ loss	9,51,221	9,68,039	(9,70,094)	(17,788)
	-Benefits Paid	(18,64,438)	(13,43,217)	-	(6,21,920)
	Present value of obligation at the end of the year	113,75,697	107,38,195	16,54,118	18,23,261

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

iii	Reconciliation of fair value of plan assets- Gratuity	As at 31st March, 2018	As at 31st March, 2017
	Fair value of plan assets at the beginning of the year	89,24,509	88,25,637
	-Expected return on plan assets	7,13,960	7,06,050
	-Actual Return on Plan Assets over expected Interest	(6,94,794)	20,310
	-Contributions to the fund	7,78,853	7,15,729
	Benefits paid from the fund	(18,64,438)	(13,43,217)
	Fair value of plan assets at the end of the year	78,58,090	89,24,509

iv	Description of Plan Assets	As at 31st March, 2018	As at 31st March, 2017
	Insurer managed funds	78,58,090	89,24,509

v	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	As at 31st March, 2018	As at 31st March, 2017
	Present value of obligations at the end of the year	113,75,697	107,38,195
	Fair value of plan assets at end of the year	78,58,090	89,24,509
	Funded Status	(35,17,607)	(18,13,686)
	Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	35,17,607	18,13,686

vi	Expenses recognised in the profit and loss statement	Gratuity		Compensated Absences	
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Current Service Cost	7,18,414	7,30,347	6,61,008	6,90,253
	Interest Cost	8,32,305	7,96,163	1,39,943	1,56,877
	Actuarial (gain) / loss recognised in the period	9,51,221	9,68,039	(9,70,094)	(17,788)
	Expected return on plan assets	(7,13,960)	(7,06,050)	-	-
	Total expenses recognised in the profit and loss statement for the year	17,87,980	17,88,499	(1,69,143)	8,29,342

The above disclosures are based on information certified by the 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)
2.36 Disclosure of transactions with related parties:
A. Related parties and nature of relationship
i Key Management Personnel

1. Gautam V. Pai Kakode	-Managing Director
2. Yogita G Pai Kakode	-Director
3. Shashikanth Reddy	-Chief Financial Officer upto 08.08.2017
4. Indrakumar N.	-Chief Financial Officer upto 17.08.2017
5. Geeta Prabhudesai	-Chief Financial Officer w.e.f. 12.02.2018
6. Aniket A. Karmali	-Whole time Company Secretary

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

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

B. Description of Transactions

Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		-Enterprises where significant influence exists	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Purchase of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	2,50,988	4,66,822
Bangalore Oxygen Company(P) Ltd	-	-	-	-	79,94,254	69,38,050
Sale of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	40,25,741	54,33,927
Bangalore Oxygen Company(P) Ltd	-	-	-	-	11,38,794	
Payment of Freight/other expenses	-	-	-	-	3,04,377	2,78,884
Purchase of Fixed Assets	-	-	-	-	29,50,000	-
Penalty Charges for delayed return of Cylinders	-	-	-	-	3,27,952	2,97,756
Receipt of Freight/other receipts	-	-	-	-	16,51,473	4,34,431
Remuneration						
i) Gautam V. Pai Kakode - Managing Director	78,21,600	39,21,600				
ii) Shashikanth Reddy - CFO upto 08.08.2017	3,21,968	85,505				
iii) Indrakumar N. -CFO upto 17.08.2017	12,857	-				
ii) Geeta Prabhudesai - CFO w.e.f. 12.02.2018	60,160	-				
iii) Aniket A. Karmali - CS	3,92,692	3,446				
Payment of rent						
Directors	21,10,500	19,38,000				
Donation	-	-	-	-	-	2,50,000

C. Outstanding balance as on 31.3.2018

	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where significant influence exists	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Receivables	Nil	Nil	Nil	Nil	Nil	3,35,877
Payables	Nil	Nil	Nil	Nil	2,74,412	1,99,177
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)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.37 Financial Instruments			
2.37.1 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			
2.37.2 Categories of financial instruments			
Financial Assets			
Measured at Amortised Cost			
a) Cash & Cash Equivalents	517,89,768	578,19,483	436,06,027
b) Trade Receivables	496,81,109	473,13,370	516,80,860
c) Loans and Advances	112,38,299	112,34,886	106,64,188
d) Other Financial Assets at amortised cost	3,88,821	3,55,148	3,87,866
	1130,97,997	1167,22,887	1063,38,941
Financial Liabilities			
a) Borrowings	72,05,357	23,02,152	2,51,990
b) Trade Payables	111,00,063	107,88,251	124,84,496
c) Other Financial Liabilities at amortised cost	474,05,310	421,85,189	383,56,052
	657,10,730	552,75,592	510,92,538
<i>Note: The Figures mentioned above are fair values</i>			
2.37.3 Market Risk			
The Company's activities does not expose it to the financial risks of changes in foreign currency exchange rates and interest rates			
2.37.4 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			
2.37.5 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			

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: 28/05/2018

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

Aniket A. Karmali
Company Secretary
M.No. 47942

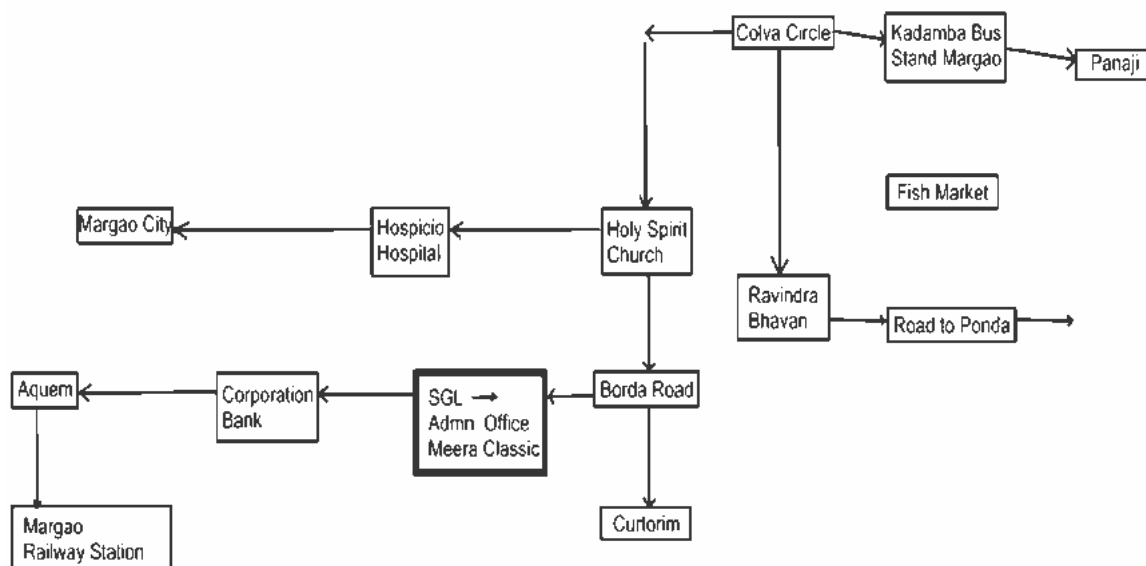
Place: Margao, Goa
Date: 28/05/2018

M.S. Keny
Director
DIN :06813111

Geeta Prabhudesai
Chief Financial Officer

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MAP OF THE LOCATION OF THE AGM





PROXY FORM <i>[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]</i> THE SOUTHERN GAS LTD CIN: L31200GA1963PLC000562 Registered Office: GovindPoy House, Rua do Padre Miranda, Margao, Goa 403601 Email: sglgoa@southerngasindia.com, Website: www.southerngasindia.com, Phone: 0832-2724863/64, Fax: 0832-2724865 FIFTY FOURTH ANNUAL GENERAL MEETING WEDNESDAY 26TH SEPTEMBER, 2018 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 54th Annual General Meeting of the Company, to be held on Wednesday 26 th September, 2018 at 10:30 a.m. at the Administrative 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, 2018
2	To declare Dividend on Equity shares for the financial year ended 31 st March, 2018.
3	To appoint a Director in place of Mrs. Yogita Gautam Pai Kakode (DIN: 01587954) who retires by rotation and being eligible, offers herself for re-appointment.
4	To ratify the appointment of M/s. Lorence & Shankar, Chartered Accountants (Firm Registration No. 112761W), as Statutory Auditors of the Company and fix their remuneration.
Special Business	
5	Appointment of Mr. Anbunathan Murugaian (DIN 02533205) as an Independent Director of the Company.
* Applicable for investors holding shares in electronic form.	
Signed this _____ day of _____ 2018	
Signature of shareholder	
Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder	
Notes: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. 2) A Proxy need not be a member of the Company. 3) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.	

Affix
Rs 1/-
Revenue
Stamp



ATTENDANCE SLIP

THE SOUTHERN GAS LTD

CIN: L31200GA1963PLC000562

Registered Office: GovindPoy House, Rua do Padre Miranda, Margao, Goa 403601

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

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

**FIFTY FOURTH ANNUAL GENERAL MEETING
WEDNESDAY 26th SEPTEMBER, 2018 AT 10:30 A.M.**

DPI d* _____

Folio No: _____

Client Id* _____

No of shares: _____

Name and Address of the Member/Proxy: _____

I hereby record my/our presence at the 54th Annual General Meeting of the Company held on Wednesday, 26th September, 2018 at the Administrative Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa – 403601.

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.

