

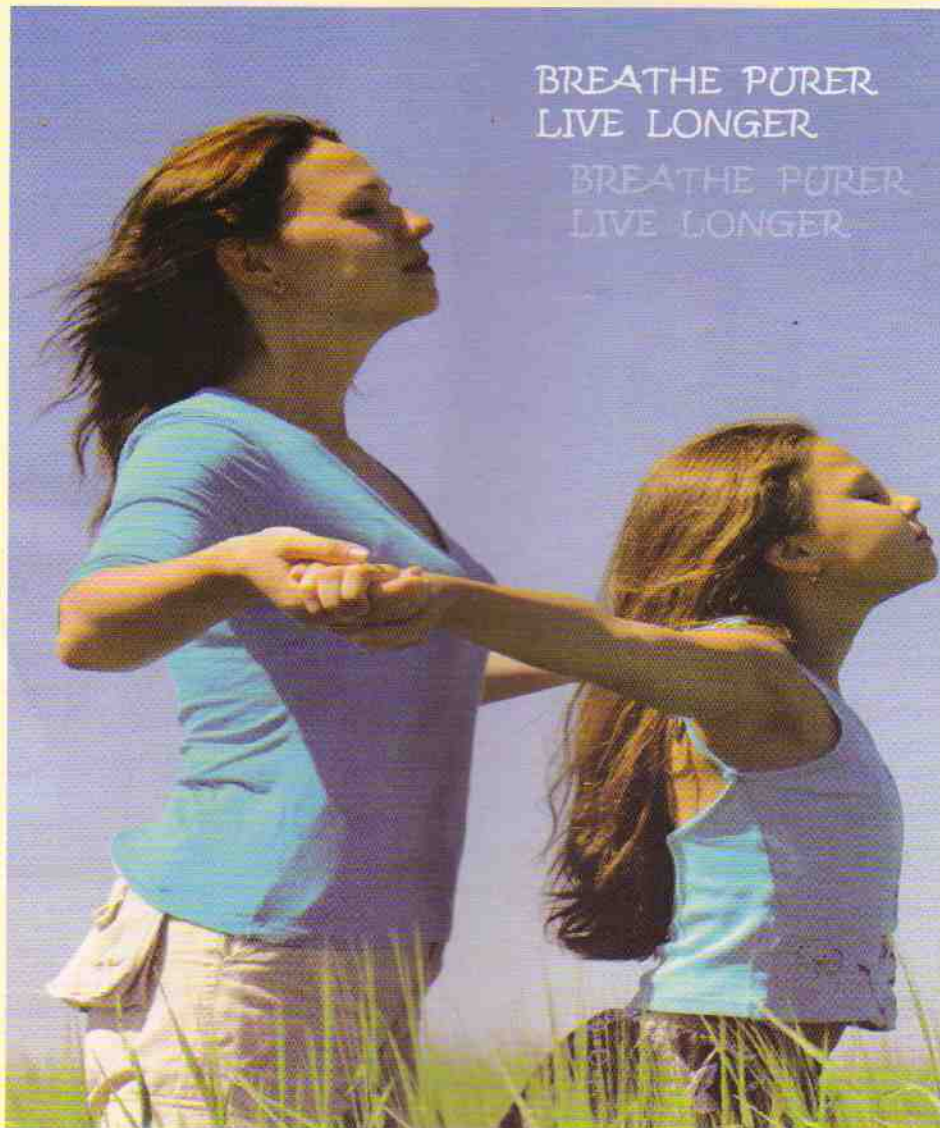


THE SOUTHERN GAS LTD.

Since 1963

50th ANNUAL REPORT

2013 - 2014



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**

FROM THE DESK OF CHAIRMAN AND MANAGING DIRECTOR



From a modest beginning in 1963 The Southern Gas Limited has positioned itself as one of the leaders in South India by identifying and responding to client requirements and the changing trends in the Gas Industry.

Our uncompromising commitment to quality, safety, health and environment and hard work and dedication of our highly experienced, multidisciplinary professionals is the package that brought this success to The Southern Gas Limited.

Innovation and continuous improvement are the core values of the Company, and above all integrity in all we do, will lead The Southern Gas Limited in its expansion.

My gratitude to our precious clients who contributed to our growth.

Thank you for trusting us and giving us your confidence. You have been our path in turning our vision to reality.

Gautam V.Pai Cacode
(Chairman & Managing Director)

Place : Margao Goa

The Southern Gas Limited



DIRECTORS

Shri MADHAV G. POY RAITURCAR – CHAIRMAN & MANAGING DIRECTOR (upto 23rd January, 2014)
Shri JAYENDRA V. GAITONDE
Shri LALIT P. MEHTA (upto 6th May, 2014)
Shri SRIPAD P. PATNEKAR
Shri RANGANATH N. PRABHU
Shri DARA M. TAVADIA (upto 6th May, 2014)
Shri GAUTAM V. PAI CACODE- CHAIRMAN & MANAGING DIRECTOR (from 1st February, 2014)
Smt YOGITA GAUTAM PAI CACODE (from 31st January, 2014)
Shri MOTILAL SANVLO KENY (from 4th February, 2014)

BANKERS

CORPORATION BANK

AUDITORS

M/s VARMA & VARMA
CHARTERED ACCOUNTANTS,
COCHIN - 682 016.

LEGAL ADVISORS

M/s MENON & PAI
ADVOCATES,
COCHIN - 682 016.

REGISTERED OFFICE

GOVIND POY HOUSE, 1ST FLOOR,
POST BOX No. 340,
RUA DO PADRE MIRANDA,
MARGAO - 403 601. GOA.

ADMINISTRATIVE OFFICE

MEERA CLASSIC, PHASE II
GOGOL, BORDA
MARGAO, GOA-403 601.
PHONE (0832) 2724863/2724864

UNITS AT

1. BANGALORE (KARNATAKA)
2. BHADRAVATI (KARNATAKA)
3. CHARIHAR (KARNATAKA)
4. HUBLI (KARNATAKA)
5. MYSORE (KARNATAKA)
6. CALICUT (KERALA)
7. TRIVANDRUM (KERALA)
8. UDYOGAMANDAL (KERALA)
9. TRICHY (TAMILNADU)

NOTICE



NOTICE is hereby given that the **Fiftieth Annual General Meeting** of the Shareholders of **THE SOUTHERN GAS LIMITED** will be held on Thursday 25th September, 2014 at 10.30 a.m. at the Administrative Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa – 403601 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Smt. Yogita Gautam Pai Cacode, (DIN: 01587954) as a Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Smt. Yogita Gautam Pai Cacode, (DIN: 01587954) who was appointed by the Board of Directors as an Additional Director with effect from 31st January, 2014 and who holds the office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing, pursuant to the provisions of Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To appoint Shri Motilal Sanvlo Keny, (DIN:06813111) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Shri Motilal Sanvlo Keny, (DIN:06813111) who was appointed by the Board of Directors as an Additional Director with effect from 04th February, 2014 and who holds the office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing, pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To appoint Shri Jayendra V Gaitonde, (DIN:00130936) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force) and Clause 49 of the Listing Agreement Shri Jayendra V Gaitonde, (DIN:00130936) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2019."
7. To appoint Shri Sripad P Patnekar, (DIN:01939882) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) and Clause 49 of the Listing Agreement Shri Sripad P Patnekar, (DIN:01939882) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2019."

8. To appoint Shri Ranganath N Prabhu, (DIN:00131108) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) and Clause 49 of the Listing Agreement Shri Ranganath N Prabhu, (DIN:00131108) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2019."
9. To appoint Shri Gautam Pai Cacode, (DIN:02395512) as Chairman and Managing Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution: "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Gautam Pai Cacode, (DIN:02395512) as Chairman and Managing Director of the Company, for a period of 3 (three) years with effect from 1st February, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Gautam Pai Cacode, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof; RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS
THE SOUTHERN GAS LIMITED

GAUTAM PAI CACODE

Chairman and Managing Director

Dated: 29th May, 2014.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting. 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.
- 2) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 18th September, 2014 to Thursday, 25th September, 2014 (both days inclusive), to determine the names of members eligible for payment of dividend on equity shares, that may be declared at the meeting.
- 3) Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2007 and thereafter which remains unclaimed for a period of seven years will be transferred by the Company to the Investor Education & Protection Fund, established by the Central Government pursuant to section 205C of the Companies Act, 1956. On such transfer no claims shall lie against the Company or the Fund in respect of individual amount which were unclaimed or unpaid for a period of seven years and transferred to the Fund and on payment shall be made in respect of any such claim. Members who have so far not claimed their dividend for the years 2006-2007 and onwards may therefore do so before the same is transferred to the Investor Education & Protection Fund.
- 4) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 (corresponding to Section 173(2) of the Companies Act, 1956) in respect of the Special Businesses mentioned in the Notice is annexed hereto. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Administrative Office of the Company during business hours on all working days upto the date of the 50th Annual General Meeting of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES
ACT, 2013 (CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956).**



Item No 4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company, Smt. Yogita Gautam Pai Cacode as an Additional Director of the Company with effect from 31st January, 2014.

In terms of the provisions of Section 161(1) of the Act, Smt. Yogita Gautam Pai Cacode would hold office up to the date of the ensuing Annual General Meeting.

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Smt. Yogita Gautam Pai Cacode, be appointed as a Director of the Company liable to retire by rotation.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Yogita Gautam Pai Cacode, for the office of Director of the Company liable to retire by rotation.

Smt. Yogita Gautam Pai Cacode, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 5001 equity shares in the Company.

Smt. Yogita Gautam Pai Cacode has varied experience in Trading and her administrative skills have been crucial in the streamlining of the day to day operations of which she is a Director.

Smt. Yogita Gautam Pai Cacode is a Director of Madhav Poy Raiturcar Trading Company Pvt. Ltd., Poy Raiturcar Properties Pvt. Ltd., Malabar Oxygen Company Pvt. Ltd., Foods and Beverages (India) Pvt Ltd and Bangalore Oxygen Company Pvt. Ltd. Save and except as stated above Shri Gautam Pai Cacode has no other interest and no other relationships amongst directors interse as stipulated under Clause 49 of Listing Agreement.

Smt. Yogita Gautam Pai Cacode may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director.

Shri Gautam V Pai Cacode who is her relative and the Chairman and Managing Director of the Company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Smt. Yogita Gautam Pai Cacode. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No 5:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Motilal Sanvlo Keny as an Additional Director of the Company with effect from 04th February, 2014.

In terms of the provisions of Section 161(1) of the Act, Shri Motilal Sanvlo Keny would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Motilal Sanvlo Keny for the office of Director of the Company.

Shri Motilal Sanvlo Keny, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He does not hold any equity shares in the Company.

Shri Motilal Sanvlo Keny possesses appropriate skills, experience and knowledge, *inter alia*, in the field of finance. Shri Motilal Sanvlo Keny is a Director in Bangalore Oxygen Company Pvt Ltd and Malabar Oxygen Company Pvt Ltd. Save and except as stated above Shri Gautam Pai Cacode has no other interest and no other relationships amongst directors interse as stipulated under Clause 49 of Listing Agreement.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Motilal Sanvlo Keny is appointed as a Director of the Company. Save and except Shri Motilal Sanvlo Keny and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No 6-8:

Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company. It is proposed to appoint Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2019.

Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu for the office of Directors of the Company. The Company has also received declarations from Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Jayendra V Gaitonde, Shri Sripad P Patnekar, and Shri Ranganath N Prabhu are independent of the management. None of these three Directors hold any other directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

Copy of the draft letters for respective appointments of Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu are interested in the resolutions set out respectively at Item Nos. 6-8 of the Notice with regard to their respective appointments. The relatives of Shri Jayendra V Gaitonde, Shri Sripad P Patnekar and Shri Ranganath N Prabhu may be deemed to be interested in the resolutions set out respectively at Item Nos. 6-8 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Ordinary Resolutions set out at Item Nos. 6-8 of the Notice for approval by the shareholders.

Item No 9:

The Board of Directors of the Company (the 'Board'), at its meeting held on 31st January, 2014 has, subject to the approval of members, appointed Shri Gautam Pai Cacode as Chairman and Managing Director, for a period of 3 (three) years from 1st February, 2014, at the remuneration recommended by the, Nomination and Remuneration Committee (the 'Committee') of the Board and approved by the Board.

It is proposed to seek the members' approval for the appointment of and remuneration payable to Shri Gautam Pai Cacode as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Shri Gautam Pai Cacode are as under:

1. SALARY:

A consolidated salary of Rs. 2,50,000/- (Rupees Two lakh fifty thousand only) per month, including dearness and all other allowances.

2. PERQUISITES & ALLOWANCES:

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

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

Car for use on Company's business and telephone at residence shall not be considered as perquisites.

3. MINIMUM REMUNERATION:

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

4. The Company will enter into an agreement with Shri. Gautam Pai Cacode, as the Chairman & Managing Director which will contain inter alia, all terms and conditions of his appointment with a provision that the agreement can be terminated by either party by giving a notice of at least six months in writing, unless waived by the parties with mutual consent.

(d) General:

(i) The Chairman and Managing Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Chairman and Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

Shri Gautam Pai Cacode satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of Shri Gautam Pai Cacode under Section 190 of the Act.

Shri Gautam Pai Cacode has been associated with the Company from 2009. He was appointed as Wholtime Director of the Company from 1st February, 2009. Since then he has been instrumental in shaping the future of this Company under the guidance of the late Mr. M. G. Poy Raiturcar, founding Chairman & Managing Director. Shri Gautam Pai Cacode term of office as a Wholtime Director ended on 31st January, 2014.

On 23rd January, 2014 the then Chairman and Managing Director expired bringing a glorious era to an abrupt end. On 31st January, 2014 the Board of Directors appointed Shri Gautam Pai Cacode as the Chairman and Managing Director of the Company.

Shri Gautam Pai Cacode is a Director in Malabar Oxygen Company Pvt. Ltd., Bangalore Oxygen Company Pvt. Ltd., Foods and Beverages India Pvt. Ltd., Madhav Gopal Poy Raiturcar Trading Company Pvt. Ltd and Poy Raiturcar Properties Pvt Ltd. He is also a trustee of Madhav Gopal Poy Raiturcar Foundation. Smt. Yogita Gautam Pai Cacode, a Director of the Company is the wife of Shri Gautam Pai Cacode. Shri Gautam Pai Cacode holds 4985 Equity Shares of the Company.

Save and except as stated above Shri Gautam Pai Cacode has no other interest and no other relationships amongst directors interse as stipulated under Clause 49 of Listing Agreement. Shri Gautam Pai Cacode is interested in the resolutions set out respectively at Item Nos. 11 of the Notice, which pertain to his appointment and remuneration payable to him.

Smt. Yogita Gautam Pai Cacode, Director of the Company is the wife of Shri Gautam Pai Cacode. The relatives of Shri Gautam Pai Cacode may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS
THE SOUTHERN GAS LIMITED

GAUTAM V. PAI CACODE
Chairman and Managing Director
Dated: 29th May, 2014.

DIRECTORS' REPORT



Your Directors are pleased to submit the 50th Annual Report together with the Audited Statement of Accounts for the year-ended 31st March 2014

FINANCIAL RESULTS

	(Rs. in lakhs)	
For the year ended 31 st March	2014	2013
Profit before Depreciation & Taxation	276.68	272.76
Less Depreciation	185.97	187.68
Profit before Taxation	90.71	85.08
Less: Provision for Taxation		
- Current Tax	54.36	36.16
- Deferred Tax	(21.78)	(22.16)
- Wealth Tax	0.08	0.14
Net Profit for the year	58.04	70.94
Add: Balance brought forward from previous year	1022.97	979.92
Amount available for appropriation	1081.01	1050.86
Appropriations		
a) Transfer to General Reserves	20.00	20.00
b) Proposed Dividend	6.75	6.75
c) Corporate Dividend Tax	1.15	1.15
Balance carried forward to next year	1053.11	1022.96

OPERATIONS

Your Company achieved a turnover of Rs. 2352 lakhs as against Rs. 2328 lakhs (net of excise duty) for the previous year representing an increase of about 1.03%. The Company has recorded a net profit of Rs 58.04 lakhs for the year. It is proposed to transfer a sum of Rs 20.00 lakhs to the general reserves out of the current years profits.

Your Company continues the process of rationalization of its operations. With this continuous process your Directors are hopeful that your Company will grow in strength and withstand any adversities of cost, inputs, competition etc. in the years to come.

Your Directors, with the active involvement of and support from your Managing Director Shri Gautam V Pai Cacode, continue to be on the constant lookout for new opportunities on the business front. This coupled with constant review of all existing depots and units, help in your Company increasing its sales every year.

DIVIDEND

Your Directors recommend a Dividend at the rate of Rs.30/- per share to those shareholders whose names appear on the Register of Members as on 25th September, 2014.



ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO

Your Company continued to take steps to optimize energy consumption as in previous years. During the year there was no technology absorption. There was no foreign exchange earning. Foreign exchange outgo during the year is Rs. 11,697,369/-.

Save and except as otherwise specifically stated, there has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has taken adequate steps to develop and implement a risk management policy including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

The Company has finalised the process of developing and implementing the corporate social responsibility initiatives during the year.

The Company has finalised the process of annual evaluation to be made by the Board of its own performance and that of its committees and individual directors.

DIRECTORS RESPONSIBILITY STATEMENT

As per the requirement of Section 134 of the Companies Act, 2013, (corresponding to Section 217 (2AA) of the Companies Act, 1956) with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any.
- 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 on 31.3.2014 and of the profits of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down internal financial controls to be followed and that such internal controls are adequate and are operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE CERTIFICATE

U/s 383A (1) of the Companies Act, 1956

Registration No. of the Company : U31200GA1984PLC000562
Nominal Capital : Rs. 50,00,000/-

To,
The Members,
THE SOUTHERN GAS LIMITED
Govind Poy House,
Rua Do Padre Miranda,
Margao,
Goa 403601

I have examined the registers, records, books and papers of THE SOUTHERN GAS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder, except for some forms in which the Company has defaulted in filing upto the date of this report.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met five times respectively on 28/05/2013, 09/08/2013, 08/11/2013, 31/01/2014 and 04/02/2014 during the financial year ending 31/03/2014, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 18th September 2013 to 25th September, 2013 (both days inclusive) to determine the names of the members eligible for payment of dividend on equity shares that may be declared at the Annual General Meeting and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 27th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra -Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The company has duly complied with the provisions of Section 297 of the Act in respect of the contracts specified in that Section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved issue of duplicate share Certificates during the financial year.
13. The company has:-
 - a. delivered all the certificates on lodgement thereof for transfer / transmission of securities in accordance with the provisions of the Act.
 - b. Deposited the amount of dividend declared including interim dividend in a separate Bank account within the period stipulated under the Act.
 - c. Paid/ posted demand drafts / cheques to all the members within 30 days from the date of declaration and that the unclaimed / unpaid dividends has been transferred to the Unpaid Dividend Account with Axis Bank Limited Margao, Goa before the due date.
 - d. Transferred the amount of unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund.
 - e. Duly complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted, There were no appointment of alternate directors and directors to fill casual vacancy during the financial year. However the Board of Directors appointed Two Additional Directors during the financial year.
15. The Company has appointed a Chairman and Managing Director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amounts borrowed by the Company from the Banks and other during the financial year are within the borrowing limits of resolutions passed by the Company under Section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given any guarantees or provided any securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the articles of association during the financial year.
31. There was / were no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted Provident Fund for its employees and as such section 418 of the Act is not applicable.

Place: Margao, Goa
Date: 29th May, 2014

Name: Mr. Neville Fernandes
C. P. No. 4542

Annexure "A"

Registers as maintained by the Company

1.Register of Members	u/s	150
2.Copies of Annual Returns	u/s	163
3.Minutes Book of Board Meetings	u/s	193
4.Minutes Book of General Meetings	u/s	193
5.Register of Contracts	u/s	301
6.Register of Directors	u/s	303
7.Register of Directors' Shareholdings	u/s	307
8.Register of Charges	u/s	143
9.Register of Fixed Assets		
10.Register of Share Transfers		

Annexure "B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2013

S. No	Form No. / Return	Filed u/s of 1956 Act	For	Date of Filing
1	23B	224(1A)	Appointment of Auditor	31.10.2013
2	1	205-A	Unclaimed dividend for the year 2005-2006 transferred to Investor Education and Protection Fund	12.10.2013
3	66	383A(1)	Compliance Certificate for the year ended 31/03/2013	18.10.2013
4	20B	159	Annual Return as at the date of AGM as on 27/09/2013	19.11.2013
5	A - XBRL	233B(4)	Cost audit reports in respect of Industrial Gas and Medical Gas units at Bangalore, Bhadravati, Mysore, Trivandrum & Udyogamandal	26.09.2013
6	17	138	Satisfaction of Charge dtd 22.07.2013 for Rs. 30,00,000/- with Corporation Bank, Margao.	22.07.2013
7	23ACXBRL & 23ACAXBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31.03.2012	08.07.2013
8	23ACXBRL & 23ACAXBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31.03.2013	19.11.2013
9	32	303 (2)	Appointment of Mrs Yogita Gautam Pai Cacode Mr Motilal Keni and Cessation Of Mr Madhav Gopal Poy Raiturcar due to death.	12.02.2014
10	23	192	Resolution for appointing Mr Gautam Pai Cacode as Chairman and Managing Director with effect from 01.02.2014	17.02.2014
11	25C	269 (2)	Appointment of Mr Gautam Pai Cacode as Chairman and Managing Director with effect from 01.02.2014	17.02.2014

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, 2014, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with provisions of Companies Act, 1956 ("the Act") and the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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 controls. 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 said financial statements read together with the Significant accounting policies and the notes attached thereto give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (" the Order ") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227 (3) of the Act, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Margao
Date : 29th May, 2014

P.G SUSIL KUMAR
Partner
M No. 22579

SG

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"
OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF THE
SOUTHERN GAS LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets, except for location of gas cylinders in movement.
(b) We are informed that most of the fixed assets of the company have been physically verified by the management during the year, except for gas cylinders with customers, the frequency of which, in our opinion is reasonable having regard to the size of the company and the nature of assets and that no material discrepancies have been noticed on such verification.
(c) The Company has not disposed off substantial part of fixed assets during the year.
2. (a) We are informed that the stock of finished goods, stores, spare parts and raw materials have been physically verified by the management at the year - end, the frequency of which, in our opinion is reasonable, having regard to the size of the company and the nature of its business.
(b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as informed to us, no material discrepancies have been noticed on such verification.
3. (a) There are certain amounts due from/due to concerns listed in the register maintained under Section 301 of the Companies Act, 1956, in the course of business. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) The company has not taken any loans, secured or unsecured from companies, firms or other parties requiring to be entered in the register in terms of Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
5. (a) According to the information and explanations given to us, the contract or arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions during the year made in pursuance of contracts or arrangements with parties referred to in (a) above have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public and hence, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

9. (a) According to the information and explanations given to us and as per our verification of the records of the company, except for minor delays in remittance of TDS in certain Branches, the Company has been generally regular in depositing undisputed statutory dues with the appropriate authorities during the year. There are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and as per verification of the records of the company, there are no dues of sales Tax / income Tax/ wealth tax/ excise duty/cess which is the subject matter of any disputes.
10. The company has no accumulated losses at the end of the financial year. The company has not incurred any losses during the year or in the immediately preceding financial year.
11. According to the information and explanations given to us and as per our verification of the records of the Company, the company has not defaulted in repayment of dues to the banks. There are no loans from financial institutions / amounts raised by issue of debentures.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Since the Company is not a chit fund/nidhi/ mutual benefit fund / society, the relative reporting requirements are not applicable.
14. Since the company is not dealing or trading in shares, securities, debentures or other investments, the relative reporting requirements are not applicable.
15. According to the information and explanations given to us and as per our verification of the records of the company, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and an overall examination of the financial statements, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issues during the year.
21. According to the information and explanations given to us and the records of the company examined by us, no fraud either on or by the company, has been noticed or reported during the year.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Place : Margao
Date : 29th May, 2014

P.G SUSIL KUMAR
Partner
M No. 22579

THE SOUTHERN GAS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2014



	Particulars	Note No.	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
I.	<u>EQUITY AND LIABILITIES</u>			
1.	Shareholders' Funds			
a.	Share Capital	2.1	2,250,000	2,250,000
b.	Reserves and surplus	2.2	127,384,498	122,369,421
2.	Non-current liabilities			
a.	Long-term borrowings	2.3	1,147,859	3,541,817
b.	Deferred tax liabilities (Net)	2.4	11,789,000	13,967,000
c.	Other Long-term liabilities	2.5	33,670,203	31,785,078
d.	Long-term provisions	2.6	2,828,367	665,893
3.	Current Liabilities			
a.	Short term borrowings	2.7	639,608	446,664
b.	Trade payables	2.8	6,044,732	6,083,680
c.	Other current liabilities	2.9	14,301,419	15,327,712
d.	Short term provisions	2.10	1,264,893	1,747,210
	Total		201,320,579	198,184,475
II.	<u>ASSETS</u>			
1.	Non-current assets			
a.	Fixed Assets			
i.	Tangible Assets	2.11	101,875,909	104,504,329
ii.	Capital work-in-progress		-	2,764,714
b.	Long-term loans and advances	2.12	9,966,572	8,248,392
2.	Current Assets			
a.	Current Investments	2.13	10,000	10,200
b.	Inventories	2.14	10,707,777	9,572,488
c.	Trade Receivables	2.15	38,445,715	41,539,443
d.	Cash and cash equivalents	2.16	36,356,522	27,178,231
e.	Short-term loans and advances	2.17	3,614,126	4,018,819
f.	Other Current Assets	2.18	343,958	347,859
	Total		201,320,579	198,184,475

Significant Accounting Policies and Notes on Accounts 1 & 2
As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN No. 004532S

Partner P.G.Susil Kumar
M. No. 22579

Place: Margao
Date: 29th May, 2014

For and on behalf of the Board of Directors of
The Southern Gas Limited

G.V.Pai Cacode

S.P.Patnekar

N.R.Prabhhu

J.V. Gaitonde

Yogita G Pai Cacode

M.S. Keny
Directors

Place: Margao
Date: 29th May, 2014

THE SOUTHERN GAS LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014



	Particulars	Note No.	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
	INCOME			
I.	Revenue from operations	2.19	239,914,637	237,414,849
II.	Other Income	2.20	3,832,944	4,095,212
III.	Total Revenue (I+II)		243,747,581	241,510,061
IV.	EXPENSES			
	a) Cost of Material Consumed	2.21	69,211,336	78,926,676
	b) Purchases of stock in Trade	2.22	21,183,797	17,513,502
	c) Changes in inventories of finished goods work in progress and stock in trade	2.23	(131,465)	(29,810)
	d) Employee benefits expenses	2.24	46,605,451	42,844,673
	e) Finance costs	2.25	935,686	1,169,883
	f) Depreciation and amortisation expenses	2.11	18,597,351	18,767,744
	g) Other expenses	2.26	78,274,039	73,809,548
	Total Expenses		234,676,195	233,002,216
V.	Profit before tax (III-IV)		9,071,386	8,507,845
VI.	Tax expense:			
	a) Current Tax		5,436,500	3,615,959
	b) Deferred Tax		(2,178,000)	(2,216,000)
	c) Wealth Tax		8,093	13,945
VII.	Profit for the period (V-VI)		5,804,793	7,093,941
VIII.	Earnings per equity share:			
	Nominal value of share Rs. 100/- (Rs. 100/-)			
	Basic and Diluted	2.27	257.99	315.29

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN No. 004532S

Partner P.G.Susil Kumar
M. No. 22579

Place: Margao
Date: 29th May, 2014

For and on behalf of the Board of Directors of
The Southern Gas Limited

G.V.Pai Cacode

S.P.Patnekar

N.R.Prabhu

J.V. Gaitonde

Yogita G Pai Cacode

M.S. Keny
Directors

Place: Margao
Date: 29th May, 2014

THE SOUTHERN GAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014



	Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
A.	Cash Flows from Operating Activities		
	Net Profit / (Loss) before Tax & Extraordinary Items	9,071,386	8,507,845
	Adjustments for:		
	Depreciation	18,597,351	18,767,744
	Interest Income	(2,676,684)	(1,591,528)
	Interest expense	935,686	1,169,883
	Provision for Doubtful Debts	-	178,181
	Bad debts written off	2,358	16
	Profit on Sale of Assets	(572,250)	(788,275)
		16,286,460	17,736,021
	Operating Profit / (Loss) before Working Capital Changes	25,357,847	26,243,866
	Adjustments for working capital changes:		
	(Increase)/Decrease in Trade Receivables	3,091,370	(5,235,125)
	(Increase)/Decrease in Inventories	(1,135,288)	(1,029,304)
	(Increase)/Decrease in Long Term Advances	(1,718,180)	(860,787)
	(Increase)/Decrease in Short Term Advances	561,999	(1,031,655)
	(Increase)/Decrease in Other Current Assets	3,902	(62,381)
	Increase/(Decrease) in Trade Payables	(38,948)	2,665,195
	Increase/(Decrease) in Long Term Provisions	2,162,474	(414,543)
	Increase/(Decrease) in Short Term Provisions	(482,317)	(650,159)
	Increase/(Decrease) in Other current Liabilities	(1,026,294)	2,746,194
	Increase/(Decrease) in Other Long term Liabilities	1,885,125	1,796,234
		3,303,843	(2,076,331)
	Cash generated from Operations	28,661,690	24,167,534
	Direct Taxes paid	(5,575,000)	(3,800,000)
	Cash Flow Before Extraordinary Items	23,086,690	20,367,534
	Net Cash from/(used) in Operating Activities	23,086,690	20,367,534
B.	Cash Flows from Investing Activities		
	Purchase of Fixed Assets	(13,254,322)	(13,562,853)
	Sale of Fixed Assets	622,356	1,209,994
	Sale of Investments	200	10,000
	Interest Received	2,649,784	1,559,949
	Net Cash from/(used) in Investing Activities	(9,981,982)	(10,782,910)

C. Cash Flows from Financing Activities		
Proceeds / (Repayment) of Long Term Borrowings	(2,393,958)	(2,226,710)
Proceeds / (Repayment) of Short Term Borrowings	192,944	(164,610)
Interest paid	(935,686)	(1,169,883)
Dividends and Corporate Dividend Tax paid	(789,716)	(778,226)
Net Cash from/(used) in Financing Activities	(3,926,416)	(4,339,429)
Summary		
Net Cash from/(used) Operating Activities	23,086,690	20,367,534
Net Cash from/(used) in Investing Activities	(9,981,982)	(10,782,910)
Net Cash from/(used) in Financing Activities	(3,926,415)	(4,339,429)
Net Increase (Decrease) in Cash Equivalents	9,178,291	5,245,195
Cash and Cash Equivalents at beginning of the year	27,178,231	21,933,036
Cash and Cash Equivalents at the end of the year	36,356,522	27,178,231
	9,178,291	5,245,195

Note : Cash and cash equivalents at the end of the year includes Rs.34.12 Lakhs (29.59 Lakhs) under lien, and Rs.0.50 Lakhs (0.93 Lakhs) deposited in unclaimed dividend account which are not available for the immediate use as on the Balance Sheet date.

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN No. 004532S

Partner P.G.Susil Kumar
M. No. 22579

Place: Margao
Date: 29th May,2014

For and on behalf of the Board of Directors of
The Southern Gas Limited

G.V.Pai Cacode

S.P.Patnekar

N.R.Prabhu

J.V. Gaitonde

Yogita G Pai Cacode

M.S. Keny
Directors

Place: Margao
Date: 29th May,2014



**Significant accounting policies and notes on accounts for the
financial year ended 31 March, 2014**

Corporate Information

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

1. Significant Accounting Policies.

a. Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis of accounting in conformity with the accounting Principles generally accepted in India and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956.

b. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual result and the estimates are recognised in the period in which the results are known / materialized.

c. Revenue Recognition

- i) Sale of goods : Income is considered to accrue upon full execution of the terms of sale, which normally coincides with delivery.
- ii) Interest/ Claims : Income is taken credit for on accrual basis wherever realisability is not in doubt and others on receipt.
- iii) Penalty for delayed : Income is considered to accrue on time basis in accordance with the terms of sale.
return of cylinders

d. Fixed Assets

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation charged. Impairment in such value, if any, is adjusted. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use. Leasehold Lands are stated at the lease premiums paid, less amortization.

e. 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 impairment loss is recognized and charged to profit and loss statement in the period in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is increased or reversed to the extent of the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f. Depreciation/ Amortization

Depreciation on Fixed Assets is charged on straight-line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Lease premium paid in respect of leasehold land, except those under lease-cum-sale arrangements are amortized over the period of the lease.

g. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction 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.

h. Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/loss arising during the year are adjusted to the profit and loss statement.

i. 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 the purchase cost of the items net of Cenvat availed and the cost of bringing them to the factory. The cost of manufactured inventories comprises the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is their current replacement cost.

j. 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.

k. Employee Benefits :

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

b) Defined Contribution Plans

The company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the profit and loss statement for the year.

c) Defined Benefit Plans

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 makes 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. Actuarial gains and losses are recognised in full in the profit and loss statement for the period in which they occur.

d) Other Long Term Employee Benefits

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. Actuarial gains and losses are recognised in full in the profit and loss statement for the period in which they occur.

1. Segment Reporting

The company is engaged in the business of manufacture and trading of gases in the domestic market, which forms broadly part of one product group and hence the company has only a single reportable segment in terms of Accounting Standard-17.

m. Taxes on Income

Tax expense comprises of current and deferred tax.

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets in case of unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

n. Earnings per share

Basic Earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by weighted average number of equity shares in issue during the year.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

p. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statement'.



2. Notes on accounts for the financial year ended 31 March, 2014

2.1 Share Capital

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

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Authorised Shares:		
30,000(30,000) Equity shares of Rs.100/- each	3,000,000	3,000,000
20,000(20,000) Unclassified shares of Rs.100/- each	2,000,000	2,000,000
Total	5,000,000	5,000,000
Issued and Subscribed and fully paid:		
22,500 (22,500) Equity shares of Rs.100/- each	2,250,000	2,250,000

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

Particulars	Number of Shares	Rupees
No. of shares as at the beginning of the year	22,500	2,250,000
Issued during year	-	-
No. of shares as at the end of the year	22,500	2,250,000

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

	Particulars	As at 31.03.2014		As at 31.03.2013	
		%	No. of shares	%	No. of shares
1	Smt.Yogita Gautam Pai Cacode	22.23%	5,001	14.80%	3,335
2	Shri Gautam Pai Cacode	22.17%	4,990	14.76%	3,325
3	Life Insurance Corpn. of India	6.67%	1,500	6.67%	1,500
4	Mr.M.G.Poy Raiturcar	-	-	14.80%	3,331
5	M/s.Food & Beverages (India) Pvt.Ltd.	14.67%	3,300	14.67%	3,300

2.2 Reserves and Surplus

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
General Reserves		
Opening Balance		
Add :-	20,072,589	18,072,589
Amount Transferred from Surplus		
Closing Balance	2,000,000	2,000,000
Surplus	22,072,589	20,072,589
Opening Surplus i.e., Balance in Profit and Loss Statement		
Add :-	102,296,832	97,992,608
Profit for the year as per Profit and Loss Statement		
Less :-	5,804,793	7,093,940
Proposed Dividend @30%		
Tax on dividend	675,000	675,000
Transfer to General Reserve	114,716	114,716
Net Surplus in the Profit and Loss Statement	2,000,000	2,000,000
Total Reserves and Surplus	105,311,909	102,296,832
	127,384,498	122,369,421

2.3 Long-term borrowings

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Term Loans from Bank - Secured		
a) Name of the bank : Corporation Bank (Secured by hypothecation of Vaccum Insulated Transport Tanker (VITT))- (Also see note 2.3.1)	1,147,859	1,825,878
b) Name of the bank : Corporation Bank (Secured by hypothecation of Cylinders - and is secured collaterally by equitable mortgage of factory land & building and hypothecation of plant & machinery and other fixed/ movable assets of Bangalore unit. Further the above loans are personally guaranteed by Managing Director of the Company) (also see note 2.3.2)	-	1,715,939
Total	1,147,859	3,541,817

2.3.1. Principal amount of Loan to be repaid completely by December 2017 in Equal monthly installments of Rs. 56,500/-each commencing from March 2011.

2.3.2. Principal amount of Loan to be repaid as below:-

1. Term Loan-110002-Principal amount of Loan to be repaid completely by December 2015 in Equal monthly installments of Rs. 53,137/- each commencing from January 2012.
2. Term Loan-100004-Principal amount of Loan to be repaid completely by March 2015 in Equal monthly installments of Rs. 1,19,981/- each commencing from June 2010.
3. Term Loan-080003- has been completely repaid during the year

2.4 Deferred Tax Liabilities-(net)

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	15,513,000	17,167,000
B. Deferred Tax Assets		
On Provisions		
On other disallowances	2,746,000	2,165,000
Deferred Tax Liabilities (Net)	978,000	1,035,000
(A-B)	11,789,000	13,967,000

2.5 Other Long Term Liabilities

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Deposits against Gas cylinders	33,670,203	31,785,078
Total	33,670,203	31,785,078

2.6 Long-term Provisions

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Provision for Employee benefits (also see Note 2.6.1)	2,828,367	665,893
Total	2,828,367	665,893

Note 2.6.1

Disclosures required under Accounting Standard 15 - "Employee Benefits" (Revised 2005)

1. Defined Contribution Plan

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

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Employer's contribution to Provident Fund	1,445,339	1,479,723
Employer's contribution to Employee's State Insurance	601,555	720,667

2. Defined Benefit Plans :

i	Actuarial Assumptions	Gratuity		Leave Encashment	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	Discount Rate (per annum)	8.00 %	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%	NA	NA
		Indian Assured Lives		Indian Assured Lives	
	Mortality rate	Mortality [1994-96] Ultimate		Mortality [1994-96] Ultimate	
	Attrition rate	1.92 %	1.92 %	Modified q(x) value 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		Leave Encashment	
		As at 31.03.2014 Rupees	As at 31.03.2013 Rupees	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
	Present value of obligation at beginning of the year	7,570,088	6,730,283	1,239,455	1,137,302
	Current Service Cost	563,504	497,140	459,519	261,360
	Past Service Cost	-	-	-	-
	Interest Cost	628,147	558,308	117,537	101,439
	Actuarial (gain)/loss	827,195	519,136	86,647	264,753
	Benefits Paid	(1,019,182)	(734,779)	(566,988)	(525,399)
	Present value of obligation at the end of the year	8,569,752	7,570,088	1,336,170	1,239,455

iii	Reconciliation of fair value of plan assets Gratuity	Current Year Rupees	Previous year Rupees
	Fair value of plan assets at the beginning of the year	7,025,032	5,711,951
	Expected return on plan assets	562,003	456,948
	Actuarial (gain)/loss	(1,128)	119,457
	Contributions	43,746	1,471,455
	Benefits paid	(1,019,182)	(734,779)
	Assets distributed on settlements (if applicable)	-	-
	Fair value of plan assets at the end of the year	6,610,471	7,025,032



iv	Description of Plan Assets	Current Year Rupees	Previous Year Rupees
	Insurer managed funds	6,610,471	7,025,032

v	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Gratuity		Leave Encashment	
		As at 31.03.2014 Rupees	As at 31.03.2013 Rupees	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
	Present value of obligations at the end of the year	8,569,752	7,570,088	1,336,170	1,239,455
	Fair value of plan assets at end of the year	6,610,471	7,025,032	-	-
	Funded Status	(1,959,281)	(545,056)	(1,336,170)	(1,239,455)
	Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	1,959,281	545,056	1,336,170	1,239,455

vi	Expenses recognised in the profit and loss statement	Gratuity		Leave Encashment	
		As at 31.03.2014 Rupees	As at 31.03.2013 Rupees	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
	Current Service Cost	563,504	497,140	459,519	261,360
	Interest Cost	628,147	558,308	117,537	101,439
	Actuarial (gain) / loss recognised in the period	828,323	399,679	86,647	264,753
	Past Service Cost	-	-	-	-
	Expected return on plan assets	(562,003)	(456,948)	-	-
	Total expenses recognised in the profit and loss statement for the year	1,457,971	998,179	663,703	627,552

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

2.7 Short-term borrowings

	Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
	Cash Credit from Bank - Secured a) Name of the bank Corporation Bank (Secured by hypothecation of raw materials, semi finished goods, finished goods, stores & spares, gas cylinders and book debts) (The loan is secured collaterally by equitable mortgage of factory land & building and hypothecation of plant & machinery and other fixed/movable assets of Bangalore unit. Further the above loan is personally guaranteed by Managing Director and Whole time Director of the Company)	639,608	446,664
	Total	639,608	446,664

2.8 Trade Payables

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Due to micro & small enterprises (Refer Note 2.8.1)	-	-
Due to others	6,044,732	6,083,680
Total	6,044,732	6,083,680

2.8.1 The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development 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.

2.9 Other Current Liabilities

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Current maturities of long term borrowing [See Note 2.3.1 and 2.3.2]	2,450,208	2,311,873
Advances from Customers	552,822	1,652,105
Deposit	71,874	121,000
Investor Educational Protection Fund shall be credited by the following amount (not due):		
Unpaid Dividend	50,340	93,190
Others -		
Statutory Dues	1,214,061	1,912,208
Creditors for expenses	9,962,114	9,237,336
Total	14,301,419	15,327,712

2.10 Short-term Provisions

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
a) Provision for employee benefits [See Note 2.6.1]	467,084	618,618
b) Others:		
Proposed Dividend	675,000	675,000
Corporate Dividend Tax	114,716	114,716
Income Tax (net)	-	324,931
Wealth Tax	8,093	13,945
Total	1,264,893	1,747,210

2.11 FIXED ASSETS

(In Rupees)

Description	GROSS BLOCK AT COST				DEPRECIATION			(In Rupees)	
	As on 01.04.2013	Additions	Sales/ Adj.	As on 31.03.2014	As on 01.04.2013	Sales/ Adj.	For the year	As on 31.03.2014	As on 31.03.2013
FREEHOLD LAND AND IMPROVEMENTS	10,875,060 (9,705,049)	- (1,170,011)	-	10,875,060 (10,875,060)	-	-	-	10,875,060 (10,875,060)	10,875,060 (9,705,049)
LEASEHOLD LAND	1,194,903 (1,194,903)	-	-	1,194,903 (1,194,903)	145,714 (131,318)	-	14,396 (14,396)	160,110 (145,714)	1,034,793 (1,049,189)
BUILDINGS	18,258,794 (18,258,794)	2,573,913	-	20,832,707 (18,258,794)	6,268,684 (5,717,661)	-	578,812 (551,023)	6,847,496 (6,268,684)	13,985,211 (11,990,112)
PLANT & MACHINERY (Including cylinders)	218,224,375 (212,818,111)	9,400,834 (6,053,064)	245,510 (646,801)	227,379,698 (218,224,375)	155,701,307 (140,554,300)	195,404 (477,076)	15,436,791 (15,624,083)	170,942,693 (155,701,307)	56,437,005 (62,523,068)
VACUUM INSULATED TRANSPORT TANKER	12,039,777 (12,039,777)	-	-	12,039,777 (12,039,777)	8,977,623 (8,520,262)	-	450,275 (457,361)	9,427,897 (8,977,623)	2,611,879 (3,062,154)
ELECTRICAL FITTINGS	1,370,405 (1,368,482)	94,162 (1,923)	-	1,464,567 (1,370,405)	651,416 (591,098)	-	62,682 (60,318)	714,097 (651,416)	750,470 (718,989)
FURNITURE & FIXTURES	5,848,250 (4,473,504)	336,946 (1,374,746)	-	6,185,196 (5,848,250)	1,982,883 (1,666,411)	-	317,004 (316,473)	2,299,888 (1,982,883)	3,885,308 (3,865,367)
MOTOR CARS & VEHICLES	16,619,685 (15,514,080)	3,142,958 (2,071,237)	1,261,220 (965,632)	18,501,423 (16,619,685)	7,657,823 (6,973,042)	1,261,220 (713,638)	1,386,022 (1,398,418)	7,782,625 (7,657,823)	10,718,799 (8,961,863)
OFFICE EQUIPMENTS	6,275,984 (6,098,443)	470,224 (177,541)	8,400	6,737,808 (6,275,984)	4,817,454 (4,471,782)	8,400	351,370 (345,672)	5,160,423 (4,817,454)	1,577,384 (1,458,530)
SUB TOTAL(A)	290,707,233 (281,471,144)	16,019,036 (10,848,522)	1,515,130 (1,612,433)	305,211,139 (290,707,233)	186,202,903 (168,625,874)	1,465,024 (1,190,714)	18,597,352 (18,767,743)	203,335,230 (186,202,903)	101,875,909 (104,504,329)
Capital work in progress	2,764,714 (50,383)	30,606 (2,714,331)	2,795,320	- (2,764,714)	-	-	-	-	2,764,714 (50,383)
SUB TOTAL(B)	2,764,714 (50,383)	30,606 (2,714,331)	2,795,320	2,764,714	-	-	-	-	2,764,714 (50,383)
TOTAL(A) + (B)	293,471,947 (281,521,527)	16,049,642 (13,562,853)	4,310,450 (1,612,433)	305,211,139 (293,471,947)	186,202,903 (168,625,874)	1,465,024 (1,190,714)	18,597,352 (18,767,743)	203,335,230 (186,202,903)	101,875,909 (107,269,043)
PREVIOUS YEAR									107,269,044 (112,895,652)

2.12 Long Term Loans and Advances

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
(Unsecured, Considered Good)		
Security Deposits	9,732,134	8,113,219
Advances recoverable in cash or in kind or for value to be received	234,438	1,35,173
Total	9,966,572	8,248,392

2.13 Current Investments

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Non-Trade (Unquoted)		
National Saving Certificate	10,000	10,200
Total	10,000	10,200

2.14 Inventories

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
a) Stores & Spares	3,457,392	3,232,379
b) Finished/Purchased goods	2,090,305	1,958,840
c) Raw materials	5,074,139	4,317,670
d) Sundry materials	85,941	63,599
Total	10,707,777	9,572,488

Inventories are valued at lower of cost or net realisable value

2.15 Trade Receivables

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
i) Debts outstanding for period exceeding six months		
Considered Good	-	-
Considered Doubtful	3,011,884	3,188,047
Total	3,011,884	3,188,047
less:		
Provision for Bad Debts	3,011,884	3,188,047
Total	-	-
ii) Other Receivables - Considered Good	38,445,715	41,539,443
Total	38,445,715	41,539,443

2.16 Cash and Cash Equivalents

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
i) With Scheduled banks:		
In Current Accounts #	9,147,880	5,382,174
In Deposit Accounts*	26,949,309	21,544,035
Cash On Hand	208,993	158,832
ii) Unclaimed Dividend	50,340	93,190
Total	36,356,522	27,178,231

Includes Rs.4,21,863/- (Rs.9,85,125/-) representing debit balance in Cash Credit Account

* Includes pledged with the bank for bank guarantee

2.17 Short Term Loans and Advances

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Others (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,449,545	3,419,253
Balances with Central Excise and Cenvat receivable	1,040,302	599,566
Advance Income Tax (Net of Provision for Taxes C.Y Rs.54.36 lakhs)(P.Y Rs.36.15 lakhs)	1,124,279	-
Total	3,614,126	4,018,819

2.18 Other Current Assets

Particulars	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Interest receivable	343,958	317,057
Penalty receivable	-	30,802
Total	343,958	347,859

2.19 Revenue From Operations

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Sale of Products		
Finished goods	246,566,983	245,494,392
Less: Excise Duty	11,337,166	12,682,483
	235,229,817	232,811,909
Other operating Revenue		
Penalty for delayed return of cylinders	4,684,820	4,602,940
Total	239,914,637	237,414,849

2.19.1 Details of Products Sold

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Finished goods		
Oxygen	51,413,648	57,342,217
Dissolved Acetylene	28,912,834	33,736,655
Liquid Nitrogen	1,618,995	2,300,918
Nitrogen	8,671,565	7,782,986
Liquid Oxygen	14,066,852	14,375,978
Medical Oxygen	66,664,346	57,505,005
Compressed Air	284,135	114,313
Carbon Dioxide	2,602,573	2,942,226
Argon	17,984,830	19,760,888
Nitrous Oxide	32,129,703	27,851,943
Other Items	2,456,338	1,727,174
Hydrogen	3,461,723	2,380,904
ACM	3,560,362	3,716,198
ANM	64,250	26,314
AHM	1,272,744	898,985
Freon gas	64,919	349,205
Total	235,229,817	232,811,909

2.20 Other Income

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Interest -(TDS Rs.2,25,741/- PY Rs.118,934/-)	2,676,684	1,591,528
Gain on Foreign Exchange Fluctuation	279,814	62,580
Profit on sale of assets (net)	572,250	788,275
Miscellaneous Income	304,196	1,508,729
Insurance claim received	-	144,100
Total	3,832,944	4,095,212

2.21 Cost of Material Consumed

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Raw Materials		
Opening Stock	4,317,670	2,612,922
Purchases	69,967,804	80,631,424
	74,285,474	83,244,346
Less: Closing Stock	5,074,139	4,317,670
Cost of Material Consumed	69,211,336	78,926,676

2.21.1 Details of major Raw material and components consumed

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Liquid Oxygen	26,288,754	30,730,372
Calcium Carbide	15,451,819	21,014,423
Ammonium Nitrate	18,655,424	17,623,428
Argon	8,555,156	9,288,795
Total	68,951,153	78,657,019

2.22 Purchase of Traded goods

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Oxygen	115,249	155,913
Liquid oxygen	5,004,953	4,883,965
Dissolved Acetylene	5,757,381	5,780,988
Helium	533,053	761,589
Nitrogen & Dry Nitrogen	90,239	6,480
Nitrous Oxide	3,823,132	361,582
Medical Oxygen	1,529,294	1,922,255
Argon	1,095,303	970,398
Carbon Di-Oxide	1,393,470	1,715,966
Hydrogen	1,094,983	585,535
Freon gas	50,991	13,483
ACM/AHM	365,302	355,348
Comp. Air/cylinder	330,447	-
Total	21,183,797	17,513,502

2.23 (Increase)/Decrease in Inventories

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Opening Stock of finished goods	1,958,840	1,992,135
Transfer to Fixed Assets	-	63,105
	1,958,840	1,929,030
Closing Stock of finished goods	2,090,305	1,958,840
(Increase)/Decrease	(131,465)	(29,810)

2.23.1 Detail of Opening Stock of finished goods

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Oxygen	286,718	264,142
Dissolved Acetylene	494,722	342,078
Nitrogen	79,051	68,749
Argon	322,467	203,928
Nitrous Oxide	448,773	406,028
Others	327,109	707,209
Total	1,958,840	1,992,135

2.23.2 Detail of Closing Stock of finished goods

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Oxygen	324,248	286,718
Dissolved Acetylene	372,892	494,722
Nitrogen	70,239	79,051
Argon	307,484	322,467
Nitrous Oxide	450,723	448,773
Others	564,719	327,109
Total	2,090,305	1,958,840

2.24 Employee Benefits Expenses

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Salaries & Wages	39,041,947	37,773,430
Contributions to Provident and other funds	4,736,536	2,752,650
Workmen and Staff Welfare Expenses	2,826,968	2,318,593
Total	46,605,451	42,844,673

2.25 Finance Cost

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Interest expense	818,606	1,084,911
Other borrowing costs	117,080	84,972
Total	935,686	1,169,883

2.26 Other Expenses

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Excise Duty paid/adjusted	11,756,716	13,167,227
Less: Excise duty collected	11,337,166	12,682,483
Net	419,550	484,744
Consumption of Stores, Spares & Consumables	3,972,162	4,756,625
Power, Fuel & Water	35,872,549	32,901,018
Rent	2,693,053	2,786,684
Repairs and Maintenance		
a) Buildings	1,570,943	665,717
b) Plant & Machinery	2,078,093	1,834,650
c) Others	1,286,823	1,026,556
d) Vehicles (including vehicle running expenses)	12,313,028	11,243,300
Insurance	662,088	666,904
Rates & Taxes	885,174	1,649,319
Traveling Expenses	2,177,161	2,732,604
Donations	442,452	410,609
Printing, Stationery, Postage & Telephone	1,789,558	1,704,515
Auditors Remuneration- (see note No 2.26.1)	763,333	644,993
Advertisement	730,956	307,518
Legal & Other Professional charges	1,309,978	860,139
Security Charges	3,064,301	2,629,717
Bank charges	190,126	213,437
Directors' sitting fees	30,000	24,000
Freight & Carriage (Net)	2,475,803	3,735,675
Provision for Doubtful debts	-	178,181
Bad debts written off	2,358	16
Miscellaneous expenses	3,544,550	2,352,627
Total	78,274,039	73,809,548

Note 2.26.1

Provision and/or payments in respect of Auditor's Remuneration

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
a. Statutory Audit Fees	330,338	307,867
b. Tax Audit	101,124	89,888
c. Other Services		
Taxation Matters	16,854	16,854
d. For Reimbursement of Expenses	315,017	230,384
Total	763,333	644,993

2.27 Earnings per share

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Net Profit for the year	5,804,793	7,093,941
Number of Equity shares of Rs.100 each	22,500	22,500
Earnings per Share (Basic & Diluted)	257.99	315.29

2.28 In the opinion of the Directors

- 1 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.
- 2 All known liabilities other than contingent liabilities are provided for.

2.29 Contingent liabilities not provided for

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Disputed demand under Income Tax under Appeal which in the opinion of the management is not legally sustainable and hence not provided for	Nil	940,660
Claims against the Company not acknowledged as Debt	500,000	Nil
Guarantees issued by the bank on behalf of the Company	4,688,520	47,96,794

2.30 Estimated amount of contracts remaining to be executed on capital account - Nil (Rs. 3.00 Lakh).

2.31 The aggregate managerial remuneration under section 198 of the Companies Act, 1956, to the directors (including managing director) is as follows:

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Managing Director:		
Salary & Allowances	2,935,484	3,000,000
Contribution to PF	1,560	-
Total Remuneration	2,937,044	3,000,000
Whole Time Director:		
Salary & Allowances	720,000	954,000
Contribution to PF	7,800	9,360
Total	727,800	963,360

2.32 Disclosure of transactions with related parties as required by Accounting Standard – 18 on related party disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A Related parties and nature of relationship

i Key Management Personnel

1. Madhav G.Poy Raiturcar - Managing Director upto 31-Jan 2014
2. Gautam V. Pai Cacode - Managing Director w.e.f.01-Feb-2014
3. Yogita Gautam Pai Cacode-Additional Director w.e.f. 31-Jan-14

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

1. Foods & Beverages (India) Pvt.Ltd
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	
	2013-14 Rupees	2012-13 Rupees	2013-14 Rupees	2012-13 Rupees	2013-14 Rupees	2012-13 Rupees
Purchase of goods	Nil	Nil	Nil	Nil	5,785,335	3,549,322
Sale of goods	Nil	Nil	Nil	Nil	6,414,888	6,184,751
Payment of Freight/other expenses	Nil	Nil	Nil	Nil	18,640	13,600
Purchase of Fixed Assets	Nil	Nil	Nil	Nil	Nil	2,851,200
Sale of Fixed Assets	Nil	Nil	Nil	Nil	Nil	Nil
Penalty Charges for delayed return of Cylinders	Nil	Nil	Nil	Nil	241,283	241,245
Transfer of Cylinder Deposit	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	500,000	Nil	Nil	Nil	Nil
Receipt of Freight/other receipts	Nil	Nil	Nil	Nil	154,858	246,475
Remuneration	3,664,844	3,963,360	Nil	Nil	Nil	Nil
Payment of rent	1,228,000	1,134,000	800,000	960,000	Nil	14,000
Donation	Nil	Nil	Nil	Nil	200,000	380,000

C Outstanding balance as on 31.3.2014

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where significant influence exists	
	2013-14 Rupees	2012-13 Rupees	2013-14 Rupees	2012-13 Rupees	2013-14 Rupees	2012-13 Rupees
Receivables	Nil	Nil	Nil	Nil	523,558	577,398
Payables	Nil	Nil	Nil	Nil	401,895	640,027

2.33 Break-up of Consumption

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	18.40%	12,735,263	8.61%	6,796,860
Indigenous	81.60%	56,476,073	91.39%	72,129,816
Total		69,211,336		78,926,676
Stores & Spares				
Indigenous	100	3,972,162	100	4,756,625

2.34 CIF Value of imports made during the year

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Raw Materials	13,008,541 (Net of Foreign Exchange gain-Rs.279,814/-)	9,496,403 (Net of Foreign Exchange gain-Rs.62,580/-)
Components & Spares	NIL	NIL
Capital Goods	NIL	NIL

2.35 Expenditure / earnings in Foreign Currency

Particulars	Year Ended 31.03.2014 Rupees	Year Ended 31.03.2013 Rupees
Expenditure in Foreign Currency	11,697,369	9,496,403
Dividends remitted in Foreign Currency	NIL	NIL
Earnings in Foreign Currency	NIL	NIL

2.36 Figures have been rounded off to the nearest rupee. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's layout.

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN No. 004532S

G.V.Pai Cacode

S.P.Patnekar

N.R.Prabhu

J.V. Gaitonde

Yogita G Pai Cacode

Partner P.G. Susil Kumar
M No. 22579

M.S. Keny
Directors

Place: Margao
Date: 29th May, 2014

Place: Margao
Date: 29th May, 2014

**ATTENDANCE SLIP
THE SOUTHERN GAS LTD**

CIN:L31200GA1963PLC000562

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



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.

DP Id*

Folio No:

Client Id*

No of shares:

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 50TH ANNUAL GENERAL MEETING of the Company held on Thursday, September 25, 2014 at 10:30 a.m. at the Administrative Office of the Company at Meera Classic, Phase II, Gogol, Borda, Margao, Goa 403601.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy



PROXY FORM

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

THE SOUTHERN GAS LTD

CIN:L31200GA1963PLC000562

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

Name of the member(s): _____ e-mail Id: _____

Registered address: _____ Folio No/ *Client Id: _____

*DP Id: _____

I/We, being the member(s) of shares of The Southern Gas limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **50th Annual General Meeting** of the Company, to be held on Thursday, September 25, 2014 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:

** I wish my above Proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
1	Consider and adopt: Audited Financial Statement, Reports of the Board of Directors and Auditors		
2	Declaration of Dividend on Equity Shares		
3	Appointment of Auditors and fixing their remuneration		
4	Appointment of Smt. Yogita Gautam Pai Cacode as a Director liable to retire by rotation		
5	Appointment of Shri Motilal Sanvlo Keny as a Director liable to retire by rotation		
6	Appointment of Shri Jayendra V Gaitonde as an Independent Director		
7	Appointment of Shri Shripad P Patnekar as an Independent Director		
8	Appointment of Shri Ranganath N Prabhu as an Independent Director		
9	Appointment of Mr Gautam V Pai Cacode as Chairman and Managing Director and Payment of Remuneration to him		

* Applicable for investors holding shares in electronic form.

Signed this..... day of.....2014

Signature of shareholder

Affix a
Revenue Stamp

Signature of first proxy holder

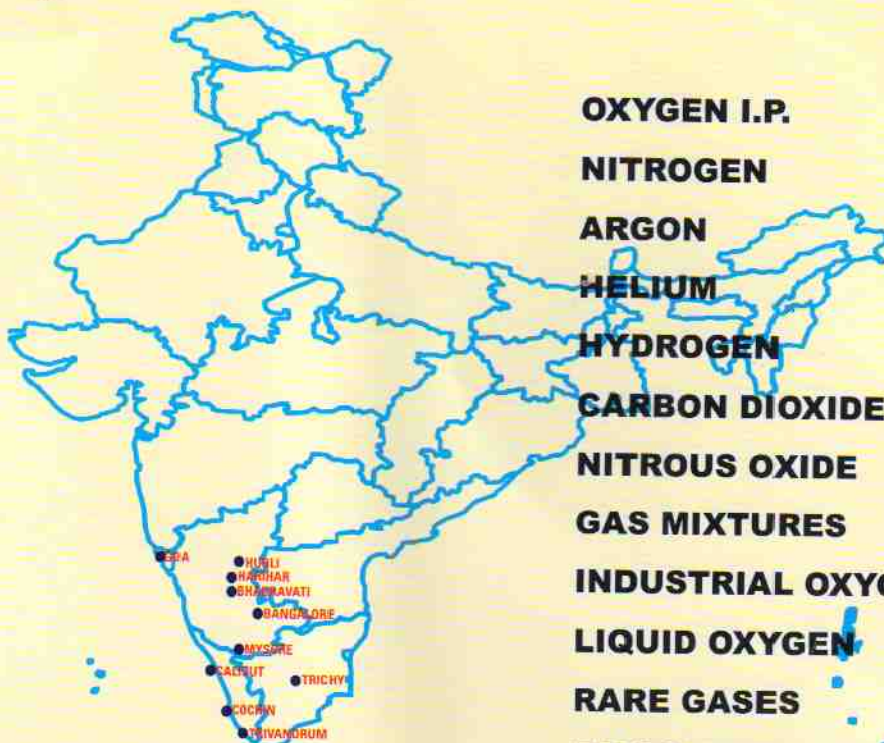
Signature of second proxy holder

Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Administrative 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) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
- (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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

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Fax No. 0495-2905224
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Fax No. 0821 - 2403680

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TRIVANDRUM

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Book Post
Printed

50 th Annual Report 2012-2013

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