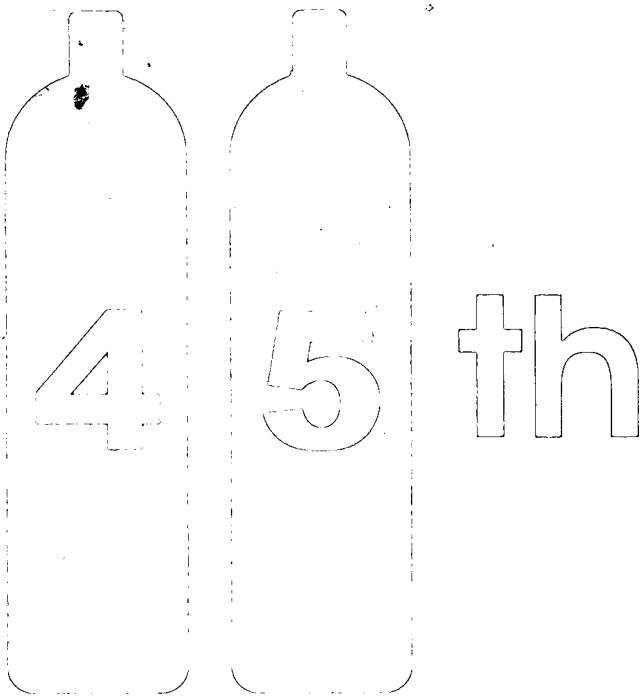


the southern  
gas limited



**ANNUAL REPORT  
& ACCOUNTS  
2008-09**



## **The Southern Gas Limited**

### **DIRECTORS**

Shri MADHAV G. POY RAITURCAR – CHAIRMAN & MANAGING DIRECTOR  
Shri JAYENDRA V. GAITONDE  
Shri LALIT P. MEHTA  
Shri SRIPAD P. PATNEKAR  
Shri RANGANATH N. PRABHU  
Shri DARA M. TAVADIA  
Shri GAUTAM V. PAI CACODE-WHOLE-TIME DIRECTOR

### **BANKERS**

CORPORATION BANK  
AXIS BANK LTD  
DENA 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', 1<sup>ST</sup> FLOOR,  
POST BOX No. 340,  
RUA DO PADRE MIRANDA,  
MARGAO - 403 601. GOA.

### **FACTORIES**

1. UDYOGAMANDAL (KERALA)
2. TRIVANDRUM (KERALA)
3. BHADRAVATI (KARNATAKA)
4. BANGALORE (KARNATAKA)
5. MYSORE (KARNATAKA)

### **FILLING STATIONS**

1. HARIHAR (KARNATAKA)
2. TRICHY (TAMILNADU)
3. CALICUT (KERALA)



## **NOTICE**

NOTICE is hereby given that the Forty Fifth Annual General Meeting of the Shareholders of **THE SOUTHERN GAS LIMITED** will be held on Wednesday, 30<sup>th</sup> September, 2009 at 10.30 a.m. at the Registered Office of the Company located at Govind Poy House, Rua do Padre Miranda, Margao-403 601, Goa to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 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 a Director in place of Shri Dara M. Tavadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jayendra V. Gaitonde, who retires by rotation and being eligible offers himself for re-appointment.
5. 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**

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

**RESOLVED THAT** Mr. Gautam Pai Cacode, who was appointed by the Board of Directors as an additional Director with effect from 29<sup>th</sup> October, 2008 and who holds the office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.

7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 read with Articles 154 and 163 of the Articles of Association of the Company, the Company hereby accords its approval to the appointment of Mr. Gautam Pai Cacode, as Wholetime Director of the Company for a period of five years, with effect from 1<sup>st</sup> February, 2009 and to the payment of remuneration as set out in the Explanatory Statement attached to the notice



convening this Annual General Meeting with liberty to the Board of Directors to alter and vary such terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr. Gautam/Pai Cacode during the aforesaid period.

**BY ORDER OF THE BOARD OF DIRECTORS  
THE SOUTHERN GAS LIMITED**

**(M.G. Poy Raiturcar)**  
**Managing Director**  
**Dated: 31<sup>st</sup> August, 2009**

**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.
2. The relevant explanatory statement under Section 173(2) of the Companies Act, 1956, in regard to the special business entered under Item Nos.6 & 7 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 25<sup>th</sup> September, 2009 to Wednesday 30<sup>th</sup> September, 2009 (both days inclusive), to determine the names of members eligible for payment of dividend on equity shares, that may be declared at the meeting.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March, 2002 and thereafter which remain unclaimed for a period of seven years will be transferred by the Company to the Investors Education and 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 amounts which were unclaimed or unpaid for a period of seven years and transferred to the Fund and no payment shall be made in respect of any such claim. Members who have so far not claimed their dividend for the years 2001-2002 and onwards may therefore do so before the same is transferred to the Investors Education and Protection Fund.



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

**Item No.6 and 7:**

Mr. Gautam Pai Cacode was appointed by the Board of Directors as an additional Director with effect from 29<sup>th</sup> October, 2008 and pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 113 of the Articles of Association of the Company he holds the office until this Annual General Meeting. A notice under Section 257 of the Companies Act 1956 has been received from a member proposing him for appointment as a Director of the Company.

At the meeting of the Board of Directors held on 30<sup>th</sup> January, 2009, Mr. Gautam Pai Cacode was appointed as Wholetime Director of the Company with effect from 1<sup>st</sup> February, 2009 for a period of five years, subject to the approval of the shareholders to be obtained at the ensuing Annual General Meeting on a remuneration and other terms and conditions as recommended by the Remuneration Committee as set out hereunder:

**1. SALARY:**

A consolidated salary of Rs.45,000/- (Rupees Forty five thousand only) per month, including Dearness and all other allowances.

**2. PERQUISITES:**

Perquisites shall be restricted to an amount equal to the annual salary.

**I. Housing**

- a) The expenditure incurred by the Company on hiring furnished accommodation shall be subject to a ceiling of 60% of the salary or
- b) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Mr. Gautam Pai Cacode shall be entitled to house rent allowance subject to the ceiling laid down in Clause (a) above.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

**II. Medical Reimbursement:**

Reimbursement of the expenses incurred for self and his wife, subject to a ceiling of one month's salary in a year.



III. Leave Travel Concession:

Leave Travel Concession for self and his wife once in a year, incurred in accordance with the rules of the Company.

IV. Club Fees:

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

V. Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

VI. Bonus under the Payment of Bonus Act – As per the rules of the Company.

VII. a) Company's contribution towards Provident Fund as per rules of the Company.

b) Gratuity as per rules of the Company.

c) Company's contribution towards superannuation fund as per rules of the Company.

The aforesaid perquisites stated in(a), (b) and (c) above shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

VIII. Earned Leave:

On full pay and allowance and perquisites, as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

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

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Wholtime Director, remuneration and perquisites as stated above shall be paid as minimum remuneration in accordance with the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Company has not made any default in payment of its debts, including public deposits or debentures or interest payable thereon for a continuous period of 30 days thereon during the preceding year.

A copy of the contract of employment entered into with Mr. Gautam Pai Cacode is available for inspection at the Registered Office of the Company during office hours.



Mr. M.G. Poy Raiturcar, is deemed to be interested in the said resolution as the appointee is his relative. Mr. Gautam Pai Cacode is also interested in his appointment. No other Director of the Company is concerned or interested in the said resolution.

**BY ORDER OF THE BOARD OF DIRECTORS  
THE SOUTHERN GAS LIMITED**

**(M. G. Poy Raiturcar)  
Managing Director**

**Dated: 31<sup>st</sup> August, 2009.**



## DIRECTORS' REPORT

Your Directors are pleased to submit the 45th Annual Report together with the Audited Statement of Accounts for the year-ended 31<sup>st</sup> March 2009.

### FINANCIAL RESULTS

For the year ended 31<sup>st</sup> March

(Rs. in lakhs)

	2009	2008
Profit before Depreciation & Taxation	242.98	361.47
Less Depreciation	129.71	123.88
Profit before Taxation	113.27	237.59
Less: Provision for Taxation – Current Tax	30.84	68.50
– Deferred Tax	10.67	12.80
– Fringe Benefits Tax	3.30	3.20
Add/Less: Income Tax for prior years	0.69	3.81
Net Profit for the year before extraordinary items	67.77	156.90
Add : Profit on Sale of Investment (Extraordinary Item)	--	63.96
Net Profit for the year	67.77	220.86
Add: Balance brought forward from previous year	759.67	569.71
<b>Amount available for appropriation</b>	<b>827.44</b>	<b>790.57</b>
<b>Appropriations</b>		
a) Transfer to General Reserves	20.00	23.00
b) Proposed Dividend	6.75	6.75
c) Corporate Dividend Tax	1.15	1.15
<b>Balance carried forward to next year</b>	<b>799.54</b>	<b>759.67</b>

### OPERATIONS

Your Company achieved a turnover of Rs.1518 lakhs as against Rs.1419 lakhs (net of excise duty) for the pervious year representing an increase of about 6.52%. The Company has recorded a net profit of Rs.67.77 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.

Operations were adversely affected by high cost of inputs, supply of liquid medical gas to all hospitals by Multinational Companies on the one hand and reduced selling prices and stiff competition from other small scale gas manufacturers including multinational companies on the other hand during the year.

The process of rationalization of operations to improve the profitability is still continuing. The same has already started yielding positive results and your Directors are hopeful that this will result in much better and improved performance in the coming years.





Your Directors have also decided to consolidate and further expand the market share of your Company. In this connection, your Company has started filling station at Trichy in Tamilnadu. Further performance of all existing depots and units are reviewed from time to time and efforts are on to increase their sales and profitability.

#### **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 30<sup>th</sup> September 2009.

#### **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 also no foreign exchange earning or foreign exchange outgo during the year.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

As per the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors confirm 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 at the end of the financial year 2008-09 and of the profit 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.

#### **SECRETARIAL COMPLIANCE CERTIFICATE UNDER PROVISIO TO SUB SECTION (1) OF SECTION 383A OF THE COMPANIES ACT, 1956.**

Your Directors are pleased to annex a copy of the compliance certificate submitted by Mr. I. M. D'Souza Porvorim, Goa a Company Secretary in whole time practice, as per the requirements of the proviso to subsection (1) of section 383A of the Companies Act, 1956.



## **DIRECTORS**

**Shri Dara M. Tavadia and Shri Jayendra V. Gaitonde, Directors of the Company,** retire by rotation from the Board at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

## **AUDITORS**

M/s Varma & Varma, Chartered Accountants, Auditors of your Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

## **LISTING FEES**

The Company has paid the requisite listing fees to the Bombay Stock Exchange, Mumbai.

## **EMPLOYEES**

The Company's relations with its employees continued to be cordial. Your Directors wish to place on record their appreciation of hard and devoted work put in by all the officers and staff, which has contributed in no small measure to the overall performance of your company.

None of the employees of the Company were in receipt of remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the provisions of Companies (Particulars of Employees) Rules 1975.

*For and on behalf of the  
Board of Directors*

*Margao,  
25th .08.2009*

**Madhav G. Poy Raiturcar**  
**Chairman & Managing Director**



## **Annexure to Directors Report.**

### **COMPLIANCE CERTIFICATE**

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

Registration No. of the Company: U31200 GA1984 PLC 000562 (CIN)  
Nominal Capital : Rs.50,00,000/-

To:

**The Members**

**The Southern Gas Limited**

**Govind Poy House, 1<sup>st</sup> Floor**

**Rua do Padre Miranda**

**Margao, Goa-403 601.**

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 31<sup>st</sup> March, 2009 (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.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met five times respectively on 29.4.2008, 29.7.2008, 21.8.2008, 29.10.2008 and 30.1.2009 during the financial year ending 31.3.2009, 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 25.9.2008 to 29.9.2008 (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 31<sup>st</sup> March, 2008 was held on 29<sup>th</sup> September, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
  7. No extraordinary 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 Company has not issued any duplicate share certificates during the financial year.
  13. The Company has –
    - i. Delivered all the certificates or lodgement thereof for transfer/transmission of securities in accordance with the provisions of the Act.
    - ii. Deposited the amount of dividend declared including interim dividend in a separate Bank Account within the period stipulated under the Act.
    - iii. 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.
    - iv. Transferred the amounts of unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund.
    - v. Duly complied with the requirements of Section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. Appointment of an additional director was made with effect from 29.10.2008. There were no other appointment of alternate director or directors to fill casual vacancy during the financial year.
15. The appointment of a Managing Director was made at the Annual General Meeting in compliance with the provisions of Section 269 and 309 read with Schedule XIII of the Act.
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 nor redemption of preference shares or debentures during the financial year.
22. There were no transaction 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 financial institutions and the Banks 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 guarantees or provided 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 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 name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was/were no prosecution initiated against or show cause notices 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 to the Company.

Place: Porvorim, Goa  
Date: 25th August, 2009

**I.M. D'Souza**  
**Company Secretary**  
C.P.No. 2132



## 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 Meeting       | 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' Shareholding | 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 31<sup>st</sup> March, 2009.

S.No.	Form No./ Return	Filed under section	For	Date of filing
1	23C	233B(2)	Appointment of Cost Auditor for the year 2008-09	21.06.2008
2	17	138	Satisfaction of Charge dt.4.9.2003 for Rs.7,23,460/- with Sundaram Finance Ltd. satisfied on 10.07.2008	14.07.2008
3	8	125	Registration of charge dt.4.6.2008 for Rs.30,00,000/- with Corporation Bank, Margao	31.07.2008
4	23AC & 23ACA	220	Balance Sheet and Profit & Loss Account for the year ended 31.3.2008	25.10.2008
5	66	383A(1)	Compliance Certificate for the year ended 31.3.2008	21.10.2008
6	20B	159	Annual Return as at the date of AGM as on 29.9.2008	28.10.2008
7	32	303(2)	Change of designation of Mr. M.G.P. Raiturcar as Managing Director	24.10.2008
8	23	192	Registration of Special Resolution passed at the Annual General Meeting held on 29.9.2008 reg. Appointment and remuneration of Managing Director	24.10.2008
9	25C	269(2)	Appointment of Mr. M.G.Poy Raiturcar as Managing Director with effect from 1.10.2008	28.10.2008
10	1	233B(4)	Filing of Cost Audit Reports in respect of Industrial Gas and Medical Gas Units at Bangalore, Bhadravati, Mysore Trivandrum and Udyogamandal	24.10.2008





11	32	303(2)	Appointment of Gautam Pai Cacode as Additional Director with effect from 29.10.2008	10.11.2008
12	1	205A	Unclaimed dividend for the year 2000-2001 transferred to Investor Education and Protection Fund	15.11.2008
13	17	138	Satisfaction of charge dated 4.9.2003 for Rs.7,23,460/- with Sundaram Finance Ltd. satisfied on 31.10.2008	03.11.2008
14	17	138	Satisfaction of charge dated 4.9.2003 for Rs.7,23,460/- with Sundaram Finance Ltd. satisfied on 31.10.2008	03.11.2008
15	17	138	Satisfaction of charge dated 28.9.2005 for Rs.6,37,445/- with Sundaram Finance Ltd. satisfied on 21.11.2008	01.12.2008
16	17	138	Satisfaction of Charge dt.27.8.2003 for Rs.54,00,000/- with Corporation Bank, Margao, satisfied on 10.01.2009	15.01.2009
17	25C	269(2)	Appointment of Gautam Pai Cacode as Wholetime Director with effect from 01.02.2009	02.02.2009
18	17	138	Satisfaction of Charge dt.6.6.1986 for Rs.67,50,000/- with Dena Bank, Margao satisfied on 16.03.2009	23.03.2009
19	17	138	Satisfaction of Charge dt.11.9.1985 for Rs.34,14,000/- with Dena Bank, Margao satisfied on 16.03.2009	23.03.2009
20	17	138	Satisfaction of Charge dt.16.12.1986 for Rs.5,00,000/- with Dena Bank, Margao satisfied on 16.03.2009	23.03.2009



## AUDITORS' REPORT

**The Members,**

**THE SOUTHERN GAS LIMITED,**

**Margao.**

1. We have audited the attached Balance Sheet of THE SOUTHERN GAS LIMITED, as at 31<sup>st</sup> March 2009, the annexed Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order;
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;



- (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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;
- (v) On the basis of written representations received from directors, as on 31<sup>st</sup> March 2009, and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31<sup>st</sup> March 2009, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, *subject to note 5 (b) of Schedule 14 regarding the remuneration paid during the year to the Managing Director, in excess of the limit specified in Part II of Schedule XIII of the Companies Act , included under advances in the Balance Sheet as stated therein and since recovered from the Managing director, and note 9 of Schedule 14 regarding non compliance of certain requirements of the listing agreement with the Stock exchange as referred to therein ,* and read together with the Significant accounting policies and other notes attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date and
  - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Kochi 16

**FOR VARMA & VARMA**  
Chartered Accountants

Date: 31<sup>st</sup> August, 2009

**V. SATHYNARAYANAN**  
PARTNER



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT  
REPORT OF EVEN DATE**

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 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. The company has appointed independent firms of Chartered Accountants to conduct the internal audit at its various depots/factories, which system, in our opinion, is commensurate with the size and nature of business of the company.
8. According to the information and explanations given to us, we are of the opinion that, prima facie, the company has made and maintained Cost records pursuant to the Order issued by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the products manufactured by the Company. We have, however, not made a detailed examination of these records with a view to determine 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, 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 Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and cess which have not been deposited on account of any dispute as at 31<sup>st</sup> March 2009.
10. The company has no accumulated losses at the end of the financial year. The company has not incurred any cash 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.

Place : Kochi - 16

Date: 31<sup>st</sup> August 2009

**FOR VARMA & VARMA**

Chartered Accountants

**V.SATHYANARAYANAN**

PARTNER



**THE SOUTHERN GAS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2009**

(In Rupees)

	SchNo	As at 31st March, 2009	As at 31st March, 2008
<b>I. SOURCES OF FUNDS:</b>			
<b>1. Shareholders' Funds:</b>			
a) Share Capital	1	2,250,000	2,250,000
b) Reserves & Surplus	2	92,027,090	86,039,764
		<b>94,277,090</b>	<b>88,289,764</b>
<b>2. Loan Funds:</b>			
a) Secured Loans	3	6,511,607	6,999,528
<b>3. Deferred Tax Liability (Net) (See note 6)</b>		14,884,000	13,817,000
<b>TOTAL</b>		<b>115,672,697</b>	<b>109,106,292</b>
<b>II. APPLICATIONS OF FUNDS :</b>			
<b>1. Fixed Assets:</b>	4		
a) Gross Block		213,265,304	195,595,712
b) Less: Depreciation		120,245,703	108,342,086
c) Net Block		<b>93,019,601</b>	<b>87,253,626</b>
d) Capital Work In Progress		4,090,000	2,500,000
		<b>97,109,601</b>	<b>89,753,626</b>
<b>2. Investments</b>	5	<b>2,023,200</b>	<b>2,013,200</b>
<b>3. Current Assets, Loans and Advances</b>	6		
a) Inventories		7,539,888	6,277,582
b) Sundry Debtors		19,474,103	18,769,570
c) Cash & Bank Balances		21,866,564	21,412,458
d) Other Current Assets		368,189	16,040
e) Loans & Advances		9,434,179	8,495,198
		<b>58,682,923</b>	<b>54,970,848</b>
<b>Less: Current Liabilities &amp; Provisions</b>	7		
a) Current Liabilities		39,584,013	35,936,372
b) Provisions		2,559,014	1,695,010
		<b>42,143,027</b>	<b>37,631,382</b>
<b>Net Current Assets</b>		<b>16,539,896</b>	<b>17,339,466</b>
<b>TOTAL</b>		<b>115,672,697</b>	<b>109,106,292</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	14		

Schedules 1 to 7 and 14 form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Varma & Varma  
Chartered Accountants

V.Sathyanarayanan  
Partner

Cochin -16  
31st August, 2009

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

M.G.Poy Raiturcar  
J.V.Gaitonde  
S.P.Patnekar  
G.V.Pai Cacode  
Directors

Margao.  
25th August, 2009



**THE SOUTHERN GAS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2009**  
(In Rupees)

	Sch No.	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>A. INCOME:</b>			
Sales (Gross)		158,901,335	149,989,875
Less: Excise Duty		7,130,137	8,106,243
Sales (Net)		<b>151,771,198</b>	<b>141,883,632</b>
Other Income	8	7,667,421	11,080,162
Stock Differential	9	(78,984)	132,401
		<b>159,359,635</b>	<b>153,096,195</b>
<b>B. EXPENDITURE:</b>			
Purchases (Gases)		6,593,979	6,178,171
Raw Materials & Stores Consumed	10	45,491,911	35,238,937
Payments to and Provisions for employees	11	31,049,235	26,963,802
Manufacturing, Selling, Administration & Other expenses	12	50,981,233	47,752,983
		<b>134,116,358</b>	<b>116,133,893</b>
<b>Profit Before Extra Ordinary Items, Interest, Depreciation and Taxation</b>		<b>25,243,277</b>	<b>36,962,302</b>
Less: Interest on Term Loan		673,162	662,595
Less: Interest on others		271,575	152,894
<b>Profit Before Depreciation</b>		<b>24,298,540</b>	<b>36,146,813</b>
Less: Depreciation		12,971,498	12,387,896
<b>Profit After Depreciation</b>		<b>11,327,042</b>	<b>23,758,917</b>
Less: Provision for Taxes			
Income Tax - current year		3,084,000	6,850,000
- relating to prior year (add)		-	380,960
Deferred Tax		1,067,000	1,280,000
Fringe Benefits Tax - current year		330,000	320,000
- relating to prior year		69,000	-
<b>Net Profit for the year before Extraordinary items</b>		<b>6,777,042</b>	<b>15,689,877</b>
Add: Profit on Sale of Investments (Extraordinary Item)		-	6,396,240
<b>Net Profit for the year</b>		<b>6,777,042</b>	<b>22,086,117</b>
Add: Surplus carried forward from last year		75,967,176	56,970,775
<b>Profit available for appropriation</b>		<b>82,744,218</b>	<b>79,056,892</b>
Appropriations:			
- Transfer to General Reserve		2,000,000	2,300,000
- Proposed Dividend		675,000	675,000
- Corporate Dividend Tax		114,716	114,716
<b>Balance Carried to Balance Sheet</b>		<b>79,954,502</b>	<b>75,967,176</b>
Earnings Per Share before Extraordinary Items (Basic and Diluted)	13	<b>301.20</b>	<b>697.33</b>
Earnings Per Share after Extraordinary Items (Basic and Diluted)	13	<b>301.20</b>	<b>981.61</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	14		

Schedules 8 to 14 form an integral part of the profit and loss Account  
This is the profit and loss Account referred to in our report of even date.

For Varma & Varma  
Chartered Accountants

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

V.Sathyanarayanan  
Partner

M.G.Poy-Raiturcar  
J.V.Gaitonde  
S.P.Patnekar  
G.V.Pai Cacode  
Directors

Cochin -16  
31st August, 2009

**23**

Margao.  
25th August, 2009





**THE SOUTHERN GAS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
I Net Profit / (Loss) before Tax & Extraordinary Items	24,298,540.00	36,146,813.00
Adjustments for :		
Interest Income	(1,398,541.00)	(638,245.00)
Dividend Income	-	(239,859.00)
Interest expense	944,737.00	815,489.00
Provision for Doubtful Debts No Longer Required Written Back	(394,079.80)	-
Bad debts written off	157,188.80	-
Provision for Gratuity	-	187,250.00
Profit on Sale of Assets	(1,434,884.00)	(6,346,877.00)
II Operating profit before working capital changes	22,172,961.00	29,924,571.00
Adjustments for working capital changes:		
(Increase) / Decrease in Trade Receivables	(392,922.00)	2,319,413.00
(Increase)/ Decrease in Inventories	(1,262,306.00)	314,016.00
Increase/ (Decrease) in Trade Payables	4,136,701.00	(3,647,163.00)
III Net Cash generated from Operations	24,654,434.00	28,910,837.00
Direct taxes (paid) / refund	(4,166,702.00)	(7,281,869.00)
IV Net Cash from/(used) in Operating Activities	20,487,732.00	21,628,968.00
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(21,787,491.00)	(20,589,572.00)
Sale of Fixed assets	2,894,903.00	7,086,302.00
Purchase of Investments	(10,000.00)	(2,000,000.00)
Interest received	1,046,392.00	815,628.00
Dividend received	-	239,859.00
Cash flow before extraordinary item	(17,856,196.00)	(14,447,783.00)
Sale of Investments	-	7,995,300.00
Net cash from/(used) in Investing Activity	(17,856,196.00)	(6,452,483.00)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	(487,921.00)	(1,761,672.00)
Interest on term loan	(899,793.00)	(817,329.00)
Dividends and Corporate Dividend Tax paid	(789,716.00)	(789,716.00)
Net cash from /(used) in Financing activities	(2,177,430.00)	(3,368,717.00)
Summary		
Net cash from/(used) in Operating Activities	20,487,732.00	21,628,968.00
Net cash from/(used) in Investing Activity	(17,856,196.00)	(6,452,483.00)
Net cash from /(used) in Financing activities	(2,177,430.00)	(3,368,717.00)
NET INCREASE / (DECREASE) IN CASH EQUIVALENTS	454,106.00	11,807,768.00
Cash & cash equivalents at the beginning of the year	21,412,458.00	9,604,690.00
Cash & cash equivalents at the end of the year	21,866,564.00	21,412,458.00
NET INCREASE / (DECREASE) IN CASH EQUIVALENTS	454,106.00	11,807,768.00

This is the Cash flow Statement referred to in our report of even date

For Varma & Varma  
Chartered Accountants

V.Sathyanarayanan  
Partner

Cochin-16  
31st August, 2009

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

M.G.Poy Raiturcar  
J.V.Gaitonde  
S.P.Patnekar  
G.V.Pai Cacode  
Directors

Margao.  
25th August, 2009



**THE SOUTHERN GAS LIMITED**  
**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

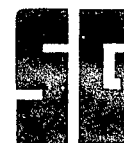
	(In Rupees)	
	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital:</b>		
30,000(30,000) Equity shares of Rs.100/- each	3,000,000	3,000,000
20,000(20,000) Unclassified shares of Rs.100/- each	2,000,000	2,000,000
	5,000,000	5,000,000
<b>Issued, Subscribed &amp; Paid up:</b>		
22,500 (22,500) Equity shares of Rs.100/- each	<b>2,250,000</b>	<b>2,250,000</b>
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve - as per last Balance Sheet	10,072,588	7,585,338
Add: Change on account of transitional provisions under Accounting Standard 15 (net of tax)		187,250
	10,072,588	7,772,588
Add: Transfer from Profit & Loss Account	2,000,000	2,300,000
	12,072,588	10,072,588
Surplus in Profit & Loss Account	79,954,502	75,967,176
	<b>92,027,090</b>	<b>86,039,764</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>From Banks</b>		
<b>Corporation Bank</b>		
<b>a) Term Loan</b>		
(Secured by hypothecation of Plant & Machinery, Gas cylinders, Vacuum Insulated Transport Tanker (VITT) and all other movable and fixed assets at Bangalore & Mysore Units)	1,420,000	3,700,000
<b>b) Term Loan</b>		
- Secured by hypothecation of Cylinders	2,550,000	-
<b>c) Cash Credit</b>		
(Secured by hypothecation of raw materials, semi finished goods, finished goods, stores & spares, gas cylinders and book debts) (All the above limits are secured collaterally by equitable mortgage of factory land & building and hypothecation of plant & machinery and other fixed/movable assets of Bangalore unit. Further all the above limits are personally guaranteed by the Managing Director of the Company)	2,496,191	3,212,622
<b>d) Interest accrued &amp; due on Term Loans</b>	45,416	-
<b>From Others</b>		
<b>Sundaram Finance Limited</b>		
<b>a) Vehicle Loan</b>	-	86,906
(Loan availed for purchase of vehicles secured by hypothecation of the said vehicles. Also secured by personal guarantee of the Managing Director of the Company)		
	<b>6,511,607</b>	<b>6,999,528</b>

**THE SOUTHERN GAS LIMITED**  
**SCHEDULE TO AND FORMING PART OF BALANCE SHEET**

SCHEDULE - 4  
FIXED ASSETS

(In Rupees)

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions	Sales/ Adj.	As at 31.03.2009	Up to 01.04.2008	Sales/ Adj.	For the year	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
FREEHOLD LAND AND IMPROVEMENTS	9,223,944 (871,844)	— (8,352,100)	—	9,223,944 (9,223,944)	—	—	—	—	9,223,944 (9,223,944)	9,223,944 (871,844)
LEASEHOLD LAND	1,627,715 (1,627,715)	61,803	—	1,689,518 (1,627,715)	75,540 (62,950)	—	12,590 (12,590)	88,130 (75,540)	1,601,388 (1,552,175)	1,552,175 (1,564,765)
BUILDINGS	13,112,017 (13,112,017)	3,033,679	—	16,145,696 (13,112,017)	3,749,770 (3,323,017)	—	440,315 (426,753)	4,190,085 (3,749,770)	11,955,611 (9,362,247)	9,362,247 (9,789,000)
PLANT & MACHINERY (Including cylinders)	149,038,000 (152,767,344)	15,517,155 (9,665,611)	1,387,294 (13,394,955)	163,167,861 (149,038,000)	91,356,246 (94,893,714)	681,679 (13,290,844)	10,421,610 (9,753,376)	101,096,176 (91,356,246)	62,071,685 (57,681,754)	57,681,754 (57,873,630)
VACCUUM INSULATED TRANSPORT TANKER	8,058,570 (8,058,570)	—	—	8,058,570 (8,058,570)	5,464,323 (4,718,459)	—	688,414 (745,864)	6,152,737 (5,464,323)	1,905,833 (2,594,247)	2,594,247 (3,340,111)
ELECTRICAL FITTINGS	1,016,009 (1,016,009)	—	6,113	1,009,896 (1,016,009)	390,568 (348,731)	6,113	41,837 (41,837)	426,292 (390,568)	583,604 (625,441)	625,441 (667,278)
FURNITURE & FIXTURES	1,313,052 (1,259,271)	80,878 (53,781)	28,150	1,365,780 (1,313,052)	998,713 (918,296)	27,029	101,149 (80,417)	1,072,833 (998,713)	292,947 (314,339)	314,339 (340,975)
MOTOR CARS & VEHICLES	7,731,350 (9,335,778)	1,175,524 (415,345)	931,098 (2,019,774)	7,975,776 (7,731,349)	3,276,567 (3,772,246)	204,190 (1,431,213)	864,320 (935,534)	3,936,697 (3,276,567)	4,039,079 (4,454,782)	4,454,782 (5,563,532)
OFFICE EQUIPMENTS	4,475,056 (4,194,074)	328,452 (280,982)	175,245	4,628,253 (4,475,056)	3,030,359 (2,638,834)	148,869	401,263 (391,525)	3,282,753 (3,030,359)	1,345,510 (1,444,697)	1,444,697 (1,555,240)
SUBTOTAL (A)	195,595,712 (192,242,622)	20,197,491 (18,767,819)	2,527,900 (15,414,729)	213,265,304 (195,595,712)	108,342,086 (110,676,247)	1,067,881 (14,722,057)	12,971,498 (12,387,896)	120,245,703 (108,342,086)	93,019,601 (87,253,626)	87,253,626 (81,566,375)
CAPITAL WORK IN PROGRESS	2,500,000 —	1,590,000 (2,500,000)	— —	4,090,000 (2,500,000)	— —	— —	— —	— —	4,090,000 (2,500,000)	2,500,000 —
SUBTOTAL (B)	2,500,000 —	1,590,000 (2,500,000)	— —	4,090,000 (2,500,000)	— —	— —	— —	— —	4,090,000 (2,500,000)	2,500,000 —
TOTAL (A)+(B)	198,095,712	21,787,491	2,527,900	217,355,304	108,342,086	1,067,881	12,971,498	120,245,703	97,109,601	89,753,626
PREVIOUS YEAR	(192,242,622)	(21,267,819)	(15,414,729)	(198,095,712)	(110,676,247)	(14,722,057)	(12,387,896)	(108,342,086)	(89,753,626)	(81,566,375)



**THE SOUTHERN GAS LIMITED**  
**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

(In Rupees)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE -5</b>		
<b>INVESTMENTS</b>		
<b>1. Long Term</b>		
<b>Non-Trade (Unquoted)</b>		
i) National Saving Certificate	23,200	13,200
ii) Bonds of Rural Electrification Corporation Ltd.	2,000,000	2,000,000
	<b>2,023,200</b>	<b>2,013,200</b>
<b>SCHEDULE - 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Current Assets:</b>		
a) <b>Inventories:</b>		
i) Stores & Spares	2,668,164	2,548,569
ii) Finished/Purchased goods	859,888	938,872
iii) Raw materials	3,938,465	2,670,166
iv) Sundry materials	73,371	119,975
	<b>7,539,888</b>	<b>6,277,582</b>
b) <b>Sundry Debtors (Unsecured)</b>		
i) Debts outstanding for period exceeding six months		
Considered Good	-	-
Considered Doubtful	1,443,441	2,543,007
	1,443,441	2,543,007
Less: Provision for doubtful debts	1,443,441	2,543,007
	-	-
ii) Other Debts - Considered Good	19,474,103	18,769,570
	<b>19,474,103</b>	<b>18,769,570</b>
c) <b>Cash and Bank Balances:</b>		
i) Cash, stamps and cheques on hand	121,318	91,545
ii) With Scheduled banks:		
In Current Accounts	8,088,548	8,564,803
In Deposit Accounts	13,419,186	11,982,149
In Unclaimed Dividend Account	68,065	56,905
iii) Remittances in Transit	169,447	717,056
	<b>21,866,564</b>	<b>21,412,458</b>

\* Includes deposits pledged with the bank for bank guarantee



**THE SOUTHERN GAS LIMITED**  
**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
(In Rupees)

	As at 31st March, 2009		As at 31st March, 2008
<b>SCHEDULE - 6 (cont'd.)</b>			
<b>d) Other Current Assets</b>			
Interest receivable	368,189		16,040
<b>Loans &amp; Advances</b>			
<b>Unsecured - considered good</b>			
i) Advance Income Tax/FBT	12,397,450		8,052,548
Less: Provision for Income Tax/FBT	11,010,110		7,276,110
	1,387,340		776,438
ii) Prepaid Expenses	464,725		509,976
iii) Balances with Central Excise	536,654		328,468
iv) Deposits	5,586,720		6,025,297
v) Advances recoverable in cash or in kind or for value to be received *	1,458,740		855,019
<b>Unsecured - considered doubtful</b>			
Other Advances 166,910		347,832	
Less: Provision for doubtful advances 166,910		347,832	
(* Includes excess remuneration due, since refunded, by Managing Director Rs 7,84,659)			
	9,434,179		8,495,198
<b>SCHEDULE - 7</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>a) Current Liabilities:</b>			
<b>1 Sundry Creditors</b>			
a) Total outstanding dues of Micro Enterprises and Small enterprises (Refer Note 7)			
b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises	11,920,752		9,116,775
2. Other Liabilities	1,765,253		1,556,664
3. Deposits against Gas cylinders	25,829,943		25,206,028
4. Investor Educational Protection Fund shall be credited by the following amount (not due):			
Unpaid Dividend	68,065		56,905
	39,584,013		35,936,372
<b>b) Provisions:</b>			
For gratuity	982,277		832,494
For leave encashment	787,021		-
For Proposed Dividend	675,000		675,000
For Corporate Dividend Tax	114,716		114,716
For Fringe Benefits Tax(Net)	-		72,800
	2,559,014		1,695,010



**THE SOUTHERN GAS LIMITED**  
**SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**

(In Rupees)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE - 8</b>		
<b>OTHER INCOME</b>		
Interest - [TDS Rs. 2,04,863 /-(PY-Rs. 93,460/-)]	1,398,541	638,245
Penalty for delayed return of cylinders	3,527,923	2,722,939
Profit on sale of assets (net)	1,434,884	6,346,877
Dividend on Long term Investment	-	239,859
Miscellaneous Income	911,993	1,132,242
Provision for Doubtful Debts No Longer Required Written Back	394,080	-
	<b>7,667,421</b>	<b>11,080,162</b>
<b>SCHEDULE - 9</b>		
<b>Stock Differential</b>		
Opening Stock of finished goods	938,872	806,471
Closing Stock of finished goods	859,888	938,872
Increase/(Decrease)	<b>(78,984)</b>	<b>132,401</b>
<b>SCHEDULE - 10</b>		
<b>Raw Materials, Stores and Sundry Materials Consumed</b>		
<b>Raw Materials:</b>		
Opening Stock	2,670,166	2,314,953
Purchases	44,606,112	33,649,460
Less: Sold	905,179	1,598,028
	<b>46,371,099</b>	<b>34,366,385</b>
Less: Closing Stock	3,938,465	2,670,166
<b>Consumption</b>	<b>42,432,634</b>	<b>31,696,219</b>
<b>Stores, Spares &amp; Tools:</b>		
Opening Stock	2,548,569	2,772,642
Purchases	3,178,872	3,318,645
	<b>5,727,441</b>	<b>6,091,287</b>
Less: Closing Stock	2,668,164	2,548,569
<b>Consumption</b>	<b>3,059,277</b>	<b>3,542,718</b>
	<b>45,491,911</b>	<b>35,238,937</b>



**THE SOUTHERN GAS LIMITED**  
**SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**

(In Rupees)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE - 11</b>		
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages, Bonus and Incentives	26,253,750	22,637,035
Contribution to Provident Fund and Other Funds	3,630,098	3,104,849
Other Welfare Expenses	1,165,387	1,221,918
	<b>31,049,235</b>	<b>26,963,802</b>
<b>SCHEDULE - 12</b>		
<b>MANUFACTURING, SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Excise Duty paid/adjusted	7,575,800	8,561,045
Less: Excise duty collected	7,130,137	8,106,243
Net	445,663	454,802
Power, Fuel & Water	25,759,257	26,729,596
Repairs & Maintenance		
a) Buildings	496,643	225,254
b) Plant & Machinery	2,935,144	2,083,420
c) Others	5,959,136	5,145,539
Rent	639,415	501,974
Rates & Taxes	1,000,731	604,551
Insurance	592,421	596,790
Travelling Expenses	2,412,669	2,082,860
Donations	137,670	508,603
Printing, Stationery, Postage & Telephone	1,513,876	1,441,468
Auditors Remuneration (See note 4)	503,326	456,933
Legal & Other Professional charges	1,303,067	909,241
Security Charges	1,833,174	1,278,053
Bank charges	295,949	420,949
Director's sitting fees	25,500	34,500
Miscellaneous expenses	1,911,043	1,314,618
Freight & Carriage (Net)	2,180,907	770,736
Advertisement	156,891	116,946
Sales Tax & Surcharge	74,659	302,043
Sundry materials written off	46,903	577,557
Bad debts written off	157,189	1,196,550
	<b>50,981,233</b>	<b>47,752,983</b>
<b>SCHEDULE - 13</b>		
<b>EARNINGS PER SHARE</b>		
Net Profit for the year before Extraordinary items	6,777,042	15,689,877
Net Profit for the year after Extraordinary items	6,777,042	22,086,117
Number of Equity shares of Rs.100 each	22,500	22,500
Earnings per share before extraordinary items (Basic & Diluted)	301.20	697.33
Earnings per share after extraordinary items (Basic & Diluted)	301.20	981.61



## THE SOUTHERN GAS LIMITED

### SCHEDULE – 14

Significant Accounting Policies and Notes attached to and forming part of the Accounts for the year ended 31<sup>st</sup> March 2009.

#### Significant accounting policies followed:

##### 1. 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.

##### 2. 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.

##### 3. 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 return of cylinders: | Income is considered to accrue on time basis in accordance with the terms of sale.                               |

##### 4. 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.

##### 5. 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 account in the period in which an asset is identified as





**THE SOUTHERN GAS LIMITED**  
**ADDITIONAL INFORMATION FOR THE YEAR ENDED 31.03.2009**  
*(Under Schedule VI of the Companies Act, 1956)*

**SCHEDULE - 14 (contd.)**

**1. Turnover of goods:**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	5,917,674	97,418,002	6,017,544	90,563,992
Dissolved Acetylene	68,715	12,445,829	86,709	12,065,633
Nitrogen	382,600	7,428,322	406,603	6,509,164
Argon	78,437	10,104,905	102,282	13,222,613
Nitrous Oxide	147,926	21,107,477	136,396	16,678,677
Others	-	3,266,663	-	2,843,553

**2. Consumption of Raw Materials, Components, Stores & Loose Tools:**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Liquid Oxygen	2,210,249	18,352,731	1,444,203	10,659,122
Acetone (Kgs)	4,904	296,666	5,625	281,340
Calcium Carbide (Kgs)	160,000	6,852,995	194,700	6,494,141
Ammonium Nitrate (kgs)	561,600	12,769,206	526,000	9,586,058
Argon	85,070	4,427,843	117,852	4,920,459
Others	-	2,792,470	-	3,297,817

35,238,937.00

**3. Finished Goods: Opening Stock**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	15,080	176,393	11,674	148,636
Dissolved Acetylene	1,375	206,661	1,096	143,468
Nitrogen	3,168	42,364	3,329	28,165
Argon	2,047	145,330	2,268	181,584
Nitrous Oxide	3,468	315,404	3,225	277,065
Others	-	52,720	-	27,553

**4. Finished Goods: Closing Stock**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	16,675	222,467	15,080	176,393
Dissolved Acetylene	372	65,071	1,375	206,661
Nitrogen	4,441	60,773	3,168	42,364
Argon	1,830	183,412	2,047	145,330
Nitrous Oxide	2,346	271,967	3,468	315,404
Others	-	56,198	-	52,720

**5. Trading Transactions: Finished Goods purchased**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	246,350	2,441,245	234,871	2,772,513
Dissolved Acetylene	13,526	2,647,843	17,719	2,623,622
Argon	14,555	1,122,385	4,960	576,942
Nitrogen	88	1,248	1,091	12,422
Others	-	381,258	-	192,672



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

**6. 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.

**7. 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.

**8. Foreign currency transactions:**

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last date of the accounting year and the resultant exchange gain/loss, if any, are recognized in the Profit and Loss Account to the extent they relate to items other than liabilities incurred for acquiring fixed assets and those relating to liabilities for fixed assets have been adjusted in the carrying cost of such assets.

**9. 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.

**10. Investments:**

Long Term Investments are stated 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.



## **11. 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 Account 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 account 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 account for the period in which they occur.

## **12. 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.

## **13. Taxes on Income:**

Tax expense comprises of current, deferred and fringe benefit 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.

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

#### 14. 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.

#### 15. Provision, 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.

#### Notes to Accounts

1. In the opinion of the Directors:
  - i. 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.
  - ii. All known liabilities other than contingent liabilities are provided for.

2. Contingent Liabilities not provided for:

(In Rupees)		
Particulars	As at 31.3.2009	As at 31.3.2008
Guarantees issued by the bank on behalf of the Company	30,07,660	26,93,800

3. Estimated amount of contracts to be executed on capital account(Net of advances) 25.31 Lacs 40.00 Lacs



4. The details of remuneration paid to Statutory Auditors are shown below:

(In Rupees)

Particulars	2008-09	2007-08
a. Statutory Audit fee	2,26,600	1,59,034
b. Taxation matters(Including tax audit)	1,21,533	1,25,838
c. Towards reimbursement of expenses	1,55,193	1,72,061
<b>Total</b>	<b>5,03,326</b>	<b>4,56,933</b>

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

(In Rupees)

Particulars	2008-09	2007-08
<b>Managing Director:</b>		
Salary	23,35,341	Nil
Other perquisites	3,64,659	Nil
<b>Total Remuneration</b>	<b>27,00,000</b>	<b>Nil</b>
<b>Whole time Director*: (From 01.02.09 to 31.03.09)</b>		
Salary	1,44,000	18,00,000
Contribution to PF	1,560	1,48,678
<b>Total Remuneration</b>	<b>1,45,560</b>	<b>19,48,678</b>

b) During the year, remuneration to Managing Director was paid as per resolution passed by Remuneration Committee on 29-07-08 and as approved by the company by special resolution of the A.G.M held on 29-09-08. However such sum paid was found on finalization of the accounts for the year to exceed the limit specified under Part II of Schedule XIII of the Companies Act, 1956 and such excess included under Advances recoverable in the Balance Sheet, has since been refunded by the Managing Director

\*c) Remuneration paid to the whole time director as approved by the Board of Directors/Remuneration Committee, is subject to the approval of the share holders in the ensuing General Meeting.



6. Deferred Tax Liability (net) comprises:

(In Rupees)

Particulars	2008-09	2007-08
<b>Deferred Tax Assets</b>		
Provision for Doubtful Debts	4,91,000	8,64,000
Provision for unclaimed Liabilities	5,28,000	2,46,000
<b>Deferred Tax Liabilities</b>		
Depreciation	1,59,03,000	1,49,27,000
<b>Net Deferred Tax Liabilities.</b>	<b>1,48,84,000</b>	<b>1,38,17,000</b>

7. 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. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31<sup>st</sup> March 2009, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. 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.

8. Employee Benefits

- i. Disclosures required under Accounting Standard 15 – “Employee Benefits” (Revised 2005)

1. Defined Contribution Plans

During the year the following amounts have been recognised in the Profit and Loss Account on account of defined contribution plans:

(Amount in Rs)

Particulars	2008-09	2007-08
Employers contribution to Provident Fund	13,25,163	12,79,355
Employers contribution to Employee’s State Insurance	4,75,972	4,97,103

2. Defined Benefit Plans Gratuity (funded)/ Other Long Term Benefits - Vesting & Non-vesting (Compensated absences unfunded)

i	Actuarial Assumptions	Compensated Absences (Unfunded)	Gratuity (Funded)
	Discount Rate (per annum)	7.00%	7.00%
	Expected return on plan assets	NA	8.00%
	Salary escalation rate*	5.00%	5.00%
	Mortality rate	Indian Assured Lives Mortality (1994-96) Ultimate Table	Indian Assured Lives Mortality (1994-96) Ultimate Table



Attrition Rate	Modified q(x) values under above Mortality Table	Modified q(x) values under above Mortality Table (1.92%)
Inter Valuation leave accrual	Annual Leave – 18 p.a.	NA
Expected Average Remaining Working Lives of Employees (years)	16.11	15.98

- 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 obligation	Compensated Absences (Unfunded)		Gratuity (Funded)	
		2008-09	2007-08	2008-09	2007-08
	Present value of obligation at beginning of the year	Nil	-	55,27,082	47,99,223
	Current Service Cost	6,01,349	-	4,30,711	2,98,993
	Interest Cost	21,047	-	4,01,971	3,59,942
	Actuarial (gain)/loss	1,64,625	-	6,34,234	11,08,956
	Benefits Paid	Nil	-	(7,68,335)	(10,40,032)
	Present value of obligation at end of the year	7,87,021	-	62,25,663	55,27,082

iii	Reconciliation of fair value of plan assets	Compensated Absences (Unfunded)		Gratuity (Funded)	
		2008-09	2007-08	2008-09	2007-08
	Fair value of plan assets beginning of the year	Nil	-	46,94,588	52,74,918
	Expected return on plan assets	Nil	-	3,75,567	4,41,817
	Actuarial (gain)/loss	Nil	-	96,331	-
	Contributions	Nil	-	8,45,235	17,885
	Benefits paid	Nil	-	(7,68,335)	(10,40,032)
	Assets distributed on settlement (if applicable)	Nil	-	-	-
	Fair value of plan assets at end of the year	7,87,021	-	52,43,386	46,94,588



iv	Description of Plan Assets	Gratuity (Funded)	
		2008-09	2007-08
	Insurer Managed Funds	52,43,386	46,94,588

v	Net (Asset)/Liability recognised in the Balance Sheet as at year end	Compensated Absences (Unfunded)		Gratuity (Funded)	
		2008-09	2007-08	2008-09	2007-08
	Present value of obligation at beginning of the year	7,87,021	-	62,25,663	55,27,082
	Fair value of plan assets at end of the year	Nil	-	52,43,386	46,94,588
	Funded Status	(7,87,021)	-	(9,82,277)	(8,32,494)
	Net present value of unfunded obligation recognised as asset/(liability) in the Balance Sheet	7,87,021	-	9,82,277	8,32,494

vi	Expenses recognised in the Profit and Loss Account	Compensated Absences (Unfunded)		Gratuity (Funded)	
		2008-09	2007-08	2008-09	2007-08
	Current Service Cost	6,01,349	-	4,30,711	2,98,993
	Interest Cost	21,047	-	4,01,971	3,59,942
	Actuarial (gain) /loss recognised in the period	1,64,625	-	5,37,903	11,08,956
	Past service cost (if applicable)	Nil	-	-	-
	Expected return on plan assets	Nil	-	(3,75,567)	(4,41,817)
	Total expenses recognised in the Profit and Loss account	7,87,021	-	9,95,018	13,26,074
	Actual return on plan assets	Nil	-	-	4,41,817

**Note:**

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

9. The requirements of the listing agreement entered into with the Bombay Stock Exchange in terms of the SEBI regulations were not fully complied pending certain issues.

10. Disclosure of related party transactions as per Accounting Standard-18.

**List of Related Parties**

**A. Key Management Personnel:**

1. Madhav G.Poy Raithurcar - Managing Director
2. Gautam V. Pai Cacode - Whole time Director





**B. Relatives of Key Management Personnel**

1. Yogita Gautam Pai Cacode - Daughter of Madhav G. Poy Raiturcar

**C. Enterprises over which persons in (a) 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

**Details of transactions:**

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where Significant Influence exists	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Purchase Of goods	Nil	Nil	Nil	Nil	17,28,348.08	30,52,678
Sale of goods	Nil	Nil	Nil	Nil	41,01,337	21,45,068
Payment of Freight/other expenses	Nil	1,02,000	Nil	1,02,000	12,450	4,433.57
Purchase of Fixed Assets	Nil	80,30,000	Nil	Nil	1,66,831	Nil
Sale of Fixed Assets	Nil	Nil	Nil	Nil	7,89,875	14,17,416
Penalty Charges for delayed return of Cylinders	Nil	Nil	Nil	Nil	1,23,246.82	Nil
Transfer of Cylinder Deposit	Nil	Nil	Nil	Nil	10,44,552	10,00,000

Remuneration	28,45,560	19,48,678	Nil	Nil	Nil	Nil
Payment of rent	2,04,000	2,04,000	Nil	Nil	Nil	Nil
Donation	Nil	Nil	Nil	Nil	7,00,000	5,00,000



**Outstanding balance as on 31.3.2009**

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where Significant Influence exists	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Receivable	7,84,659	Nil	Nil	Nil	87,234.76	3,95,828
Payable	Nil	Nil	Nil	Nil	52,662.67	1,26,652

11. Figures for previous year have been regrouped and recast wherever necessary to suit current year's layout.



**THE SOUTHERN GAS LIMITED**  
**ADDITIONAL INFORMATION FOR THE YEAR ENDED 31.03.2009**  
*(Under Schedule VI of the Companies Act, 1956)*

**SCHEDULE - 14 (contd.)**

**1. Turnover of goods:**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	5,917,674	97,418,002	6,017,544	90,563,992
Dissolved Acetylene	68,715	12,445,829	86,709	12,065,633
Nitrogen	382,600	7,428,322	406,603	6,509,164
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Others	-	3,266,663	-	2,843,553

**2. Consumption of Raw Materials, Components, Stores & Loose Tools:**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Liquid Oxygen	2,210,249	18,352,731	1,444,203	10,659,122
Acetone (Kgs)	4,904	296,666	5,625	281,340
Calcium Carbide (Kgs)	160,000	6,852,995	194,700	6,494,141
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Argon	85,070	4,427,843	117,852	4,920,459
Others	-	2,792,470	-	3,297,817

**3. Finished Goods: Opening Stock**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	15,080	176,393	11,674	148,636
Dissolved Acetylene	1,375	206,661	1,096	143,468
Nitrogen	3,168	42,364	2,329	28,165
Argon	2,047	145,330	2,268	181,584
Nitrous Oxide	3,468	315,404	3,225	277,065
Others	-	52,720	-	27,553

**4. Finished Goods: Closing Stock**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	16,675	222,467	15,080	176,393
Dissolved Acetylene	372	65,071	1,375	206,661
Nitrogen	4,441	60,773	3,168	42,364
Argon	1,830	183,412	2,047	145,330
Nitrous Oxide	2,346	271,967	3,468	315,404
Others	-	56,198	-	52,720

**5. Trading Transactions: Finished Goods purchased**

	2008-09		2007-08	
	Qty. (Cu.m)	Value(Rs.)	Qty. (Cu.m)	Value(Rs.)
Oxygen	246,350	2,441,245	234,871	2,772,513
Dissolved Acetylene	13,526	2,647,843	17,719	2,623,622
Argon	14,555	1,122,385	4,960	576,942
Nitrogen	88	1,248	1,091	12,422
Others	-	381,258	-	192,672



**THE SOUTHERN GAS LIMITED**  
**ADDITIONAL INFORMATION FOR THE YEAR ENDED 31.03.2009**  
**(Under Schedule VI of the Companies Act, 1956)**

**SCHEDULE - 14 (contd.)**

**6. Production Capacity and goods manufactured (cu.m.)**

	2008-09		2007-08	
	Installed	Production	Installed	Production
Oxygen	52.80 lacs	5,669,386	52.80 lacs	5,781,144
Dissolved Acetylene	2.88 lacs	54,270	2.88 lacs	69,332
Nitrous Oxide	0.97 lacs	146,729	0.97 lacs	136,439
Argon	8.00 lacs	63,378	8.00 lacs	96,854
Nitrogen	(Not applicable being by-product)	384,013	(Not applicable being by-product)	406,498

**7. Consumption of Raw Materials, Stores & Components**

	2008-09		2007-08	
	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Imported	-	-	-	-
Indigeneous	45,491,911	100	35,238,937	100

**8. CIF Value of imports made during the year**

	2008-09	2007-08
Raw Materials	NIL	NIL
Components & Spares	NIL	NIL
Capital Goods	NIL	NIL

	2008-09	2007-08
Expenditure in Foreign Currency	NIL	NIL
Dividends remitted in Foreign Currency	NIL	NIL
Earnings in Foreign Currency	NIL	NIL

For Varma & Varma  
Chartered Accountants

V.Sathyanarayanan  
Partner

Cochin -16  
31st August, 2009

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

M.G.Poy Raiturcar  
J.V.Gaitonde  
S.P.Patnekar  
G.V.Pai Cacode  
Directors

Margao.  
25th August, 2009



**THE SOUTHERN GAS LIMITED**  
**PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**  
**BALANCE SHEET ABSTRACT AND**  
**COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details:</b>	
Registration Number	: 562G
State Code	: 24
Balance Sheet Date	: 31.03.2009
<b>II. Capital raised during the year</b> (Amount in Rs. in Thousands)	
Public Issue	: Nil
Right Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
<b>III. Position of Mobilisation and Deployment of Funds</b> (Amount in Rs. in Thousands)	
Total Liabilities	: 115,672.70
Total Assets	: 115,672.70
<b>Sources of Funds:</b>	
Paid-up Capital	: 2,250.00
Reserves and Surplus	: 92,027.09
Secured Loans	: 6,511.61
Unsecured Loans	: Nil
Deferred Tax Liability	: 14,884.00
<b>Application of Funds:</b>	
Net Fixed Assets	: 97,109.60
Investments	: 2,023.20
Net Current Assets	: 16,539.90
Miscellaneous Expenditure	: Nil
<b>IV. Performance of the Company</b> (Amount in Rs. in Thousands)	
Turnover/Other Income	: 159,438.62
Total Expenditure	: 148,032.59
Profit/(Loss) before Tax	: 11,327.04
Profit/(Loss) after Tax	: 6,777.04
Earning per Share in Rs.	: 301.20
Dividend Rate %	: 30
<b>V. Generic Names of three Principal Products/ Services</b> (As per monetary terms)	
Item Code Number.(ITC Code)	: 280440
Product Description	: OXYGEN
Item Code Number.(ITC Code)	: 290121
Product Description	: DISSOLVED ACETYLENE
Item Code Number.(ITC Code)	: 280430
Product Description	: NITROGEN

For Varma & Varma  
Chartered Accountants

V.Sathyanarayanan  
Partner

Cochin -16  
31st August,2009

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

M.G.Poy Raiturcar  
J.V.Gaitonde  
S.P.Patnekar  
G.V.Pai Cacode  
Directors

Margao.  
25th August,2009



# THE SOUTHERN GAS LIMITED

Regd. Office, Govind Poy House, 1st Floor  
Rua do Padre Miranda, Margao, Goa - 403 601

## PROXY

I / We

\_\_\_\_\_

of \_\_\_\_\_

the district of \_\_\_\_\_ being a member / members of

**THE SOUTHERN GAS LIMITED**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_

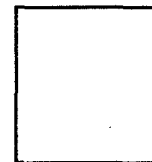
\_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the

**45<sup>th</sup> General Meeting** of the company to be held on 30th September, 2009

and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009



Folio No.

Signature

Notes : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Book Post  
Printed Matter

**45<sup>TH</sup> ANNUAL REPORT**  
2008-2009

If undelivered please return to:  
THE SOUTHERN GAS LTD.

1st Floor,  
'Govind Poy House',  
Rua do Padre Miranda Road ,  
Post Box No 340,  
Margao, Goa 403 601