THE SOUTHERN GAS LIMITED

REGD. OFFICE : Meera Classic, Phase II, Gogol, Borda, Margao, Goa. - 403 602
Tel.: (0832) 2724863 / 2724864. Fax: (0832) 2724865.
Email: sglgoa@southerngasindia.com Website: southerngasindia.com
CIN : L31200GA1963PLC000562

Date: 3rd September, 2020

To,
Department of Corporate Services,
Bombay Stock Exchange Limited
P.J.Towers, Dalal Street,
Mumbai- 400 001

Ref: Scrip Code: 509910 (ZSOUTGAS)

Dear Sir/Madam,

Subject: Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

With reference to above captioned matter, we hereby inform you that 56th Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, September 25, 2020 at 10.30 a.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we are submitting herewith the 56th Annual Report of the Company along with the Notice of the AGM for FY 2019-20 which has been sent on 2nd September, 2020 through electronic mode.

The Annual Report along with the Notice of the AGM has been uploaded on the Company's Website at:
http://southerngasindia.com/wpcontent/themes/southerngas/documents/annual-reports/56thAnnualreport2019-20.pdf

We request you to please take note of the above.

Thanking you,
For Southern Gas Limited

Hasmukh Prajapati
Company Secretary
ACS48018

THE SOUTHERN GAS LTD.

Since 1963



56th Annual Report

2019-2020

FROM THE DESK OF MANAGING DIRECTOR



Dear Shareholders,

It gives me great pleasure to present the fifty sixth (56th) Annual Report of the Company, together with the audited financial statements for the year ended 31st March 2020.

Your company's performance during the year ended 31st March 2020 has been on expected lines, given the completion from both established local & multinational and new players in our industry.

The turnover for the year has dropped marginally to Rs 30.64 crores compared to Rs 31.84 crores for the previous financial year ending 31st March 2019.

However the comprehensive income for the year has registered a decent increase to Rs 56.7 lakhs, when compared to Rs 45.4 lakhs during the previous financial year ending 31st March 2019.

However from 25th March 2020 when the country went into a Covid-19 virus induced lockdown, off-take of our industrial gases have seen a significant drop but on the brighter side off-take of medical gases has gone up significantly but the impact on the turnover and profitability for the financial year under report is insignificant.

The impact on the turnover and the profitability due to the ongoing Covid-19 pandemic will be felt only in the results of the financial year ending 31st March 2021. I sincerely believe that the results may not be very adverse as we have been fully utilizing our plant capacities in supplying life saving high purity medical gases to hospitals and medical facilities handling the pandemic. However supply of industrial gases will be affected to a great extent.

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

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

Gautam Vithaldas Pai Kakode
Managing Director

CORPORATE INFORMATION

Board of Directors : Mr. Gautam V. Pai Kakode - Managing Director
Mrs. Yogita G. Pai Kakode - Non-Executive Director
Mr. M. S. Keny - Non Executive Director
Mr. S. P. Patnekar - Independent Director
Mr. Anbunathan Murugaian - Independent Director
Mr. Purushottam S. Mantri - Independent Director

Chief Financial Officer : Mr. Shashidhar Haridas (w.e.f. 8th November, 2019)

Company Secretary : Mr. Hasmukh Prajapati (w.e.f. 2nd July, 2020)

Statutory Auditors : M/s Lorence & Shankar - Chartered Accountant
Margao-Goa

Secretarial Auditor : Mrs. Kritika Satardekar
Practicing Company Secretary

Bankers : Corporation Bank

Registrar & Share Transfer Agents : M/s. Bigshare services Private Limited
1ST Floor, Bharat Tin Works Building
Opp. Vasant oasis, makwana road,
Marol, Andheri East, Mumbai - 400 059.
022 – 262638200/04
investor@bigshareonline.com
www.bigshareonline.com

The Southern Gas Limited
CIN : L31200GA1963PLC000562
Meera Classic, Phase II, Gogol, Borda, Margao-Goa 403 602
www.southerngasindia.com
sglgoa@southerngasindia.com, secretarial@southerngasindia.com
0832 – 2724863

Units : Bangalore (Karnataka)Mysore (Karnataka)
Bhadravati (Karnataka)Calicut (Kerala)
Harihar (Karnataka)Trivandrum (Kerala)
Udyogamandal (Kerala) Hubli(Karnataka)

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NOTICE

NOTICE is hereby given that the Fifty Sixth (56th) Annual General Meeting of the Members of **THE SOUTHERN GAS LIMITED** will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Friday, 25th day of September, 2020 at 10.30 a.m. to transact the following business ;

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of Rs.40/- per equity shares for the Financial Year ended March 31, 2020.
3. To appoint as a Director in place of Mr. Gautam Pai Kakode (DIN: 02395512), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

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

   Payment of remuneration to Mr. Gautam Pai Kakode (DIN: 02395512) as a Managing Director and Key Managerial Personnel of the Company.

   "RESOLVED THAT pursuant to the provisions of Section 196,197,198 and 203 and other applicable provisions if any, of the Companies Act, 2013, as amended or re-enacted from time to time, read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Gautam Pai Kakode, (DIN: 02395512) as the Managing Director and Key Managerial Personnel of the Company, for a period of three years with effect from 1st February, 2020 to 31st January 2023, upon the terms and conditions including Remuneration as set out in the Explanatory Statement annexed to the Notice convening this 56th Annual General Meeting, with authority to the Board of Directors to settle all matters arising out of and incidental thereto and to alter or vary the terms and conditions of the said appointment and incidental thereto."

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

By Order of the Board
For The Southern Gas Limited

Dated: 26th June, 2020
Place: Margao-Goa

Gautam Pai Kakode
Chairman & Managing Director

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, ("Act") which sets out details relating to Special Business at the Meeting, is annexed hereto.
2. Pursuant to requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to corporate governance and the applicable Secretarial Standards, the information required to be provided in case of appointment/ re-appointment of Director, is set out at the Annexure A to this Notice.
3. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM) ("AGM or "e-AGM", without the physical presence of the members of the Company at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue of the AGM shall be the registered office of the Company. The Company has engaged the services of M/s Bigshare Services Private Limited, Registrar & Transfer Agent of the Company (RTA) as the Authorised Agency for conducting the e-AGM and CDSL providing e-voting facility for casting the votes by the members using an electronic voting system. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. A copy of the Annual Report containing Audited Financial Statements for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors' thereon are enclosed
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.southerngasindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
12. The Institutional / Corporate members intending to attend the e-AGM through authorised representatives are requested to send to Bigshare/ Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/ OAVM and vote on their behalf by an email through its registered email address to cs.sbhat@gmail.com with a copy to secretarial@southerngasindia.com at least 7days prior to the e-agm.
13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
14. In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by clicking at https://bigshareonline.com/investor registration.aspx (RTA link) or by writing to the RTA with details of folio number and self-attested copy of PAN card at Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 or by sending email to investor@bigshareonline.com
15. Members may also note that Notice convening the 56th AGM and Annual Report for FY 2019- 20 will also available on the Company website www.southerngasindia.comThe Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September, 2020 to Friday, 25th September, 2020 (both days inclusive) for the purpose of payment of dividend. A final dividend of 40/- per share of Rs.100/- each has been recommended by the Board of Directors for the financial year ended March 31, 2020 and subject to the approval of Shareholders at the ensuing AGM. The final dividend proposed shall be paid within 30 days from the date of declaration.
16. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:
    (a) whose names appear as beneficial owners as at the end of the business hours on Friday, 18th September, 2020 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and
    (b) whose names appear as members in the Register of Members of the Company/ RTA after giving effect to valid share transmission/ transposition in physical form lodged with the Company on or before Friday, 18thSeptember, 2020.
17. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/available with the RTA for payment of dividend through National Electronic Clearing Services ("NECS") to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instruction if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participant about such change, with complete details of bank account. In case the shares are held in physical form, please send NECS form available on our website www.southerngasindia.com so as to reach on or before the date of Book Closure fixed for payment of dividend to Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 Phone: 022 – 62638200 Email: investor@bigshareonline.com dividend warrants/ demand drafts will be dispatched to the registered address of the shareholders, who have not updated their bank account details, after normalization of the postal service.
18. SEBI has mandated the submission of Permanent

Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the Bigshare Services Private Limited email address at investor@bigshareonline.com

(a) Due dates of transferring unclaimed and/ or unpaid dividend declared by the Company for the financial year ended March 31, 2013 and thereafter to Investor Education and Protection Fund Authority (IEPF):

Financial Year Ended	Type of Dividend	Date of declaration of Dividend	Due date for Transfer of Unpaid Dividend
March 31, 2013	FINAL	September 27, 2013	November 2, 2020
March 31, 2014	FINAL	September 25, 2014	October 31, 2021
March 31, 2015	FINAL	September 22, 2015	October 30, 2022
March 31, 2016	FINAL	September 25, 2016	October 28, 2023
March 31, 2017	FINAL	September 26, 2017	November 1, 2024
March 31, 2018	FINAL	September 26, 2018	November 5, 2025
March 31, 2019	FINAL	September 26, 2019	November 5, 2026

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

(c) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the IEPF established by the Central Government.

20. Pursuant to IEPF Rules, the Company has, during the financial year 2019-20, transferred to the IEPF Authority all dividend which had remained unpaid or unclaimed for 7 (seven) consecutive years or more on the due date of transfer. Details of shares transferred to the IEPF are available on the website of IEPF i.e. www.iepf.gov.in as well as on the Company's website www.southerngasindia.com under Investor Information Section.

21. Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back. Concerned members/ investors are advised to visit the website of www.iepf.gov.in or contact Bigshare Service Private Limited for lodging claim for refund of shares and/ or dividend from the IEPF.

22. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the Company/ RTA. This form is also available on the Company's website www.southerngasindia.com

23. Member(s) of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such folio(s).

- SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

24. Please send all correspondence including requests for transfer/ transmission of shares, change of address & dividend etc. to Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 Phone: 022 – 62638200 Email : investor@bigshareonline.com

25. Members of the Company had approved the appointment of M/s. Lorence & Shankar, Chartered Accountants, as the Statutory Auditors at the 53rd AGM of the Company which is valid till 58th AGM of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

26. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be, immediately of:-

(a) The change in the residential status on return to India for permanent settlement.

(b) The particulars of the NRE Account with a bank in India, if not furnished earlier.

27. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

28. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.

29. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. All other documents referred to in

the Notice and Annual Report will also be available for electronic inspection without payment of any fee by the Members from the date of circulation of this notice up to the date of AGM i.e. September 25, 2020. Members seeking to inspect such documents can send an email to : sglgoa@southerngasindia.com

VOTING THROUGH ELECTRONIC MEANS :

I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 56th AGM by electronic means and the business may be transacted through e-voting Services ("Remote e-Voting").

II. The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

The process and manner for Remote e-Voting are as under :

INSTRUCTION FOR E-VOTING :

(i) The voting period begins on Tuesday, 22nd September, 2020 at 9.00 am and ends on Thursday, 24th September, 2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 18th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) (Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below :

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

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE :

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

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

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

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

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

   Note for Non – Individual Shareholders and Custodians :

   Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.co

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

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

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

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

By Order of the Board
For The Southern Gas Limited

Dated: 26th June, 2020
Place: Margao-Goa

Gautam Pai Kakode
Chairman & Managing Director

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM No. 4

Mr. Gautam Pai Kakode was appointed as Managing Director of the Company initially in the year 2008. The Board of Directors of the Company (the Board), at its meeting held on 30th May 2019 has, subject to the approval of the members, re-appointed Mr. Gautam Pai Kakode as Managing Director and Key Managerial Personnel for a Period of 5 years i.e. from 1st February, 2020 to 31st January, 2025 with remuneration as recommended by the Nomination and Remuneration Committee (the 'Committee'). The said appointment and payment of remuneration for a period of 5 years was approved by the members by way of special resolution at the Annual General Meeting held on 26th September, 2019.

Section 197 of the Companies Act, 2013 prescribes certain limits in terms of percentage of profit for payment of managerial remuneration. In the event of inadequacy of profits, the limits specified under Schedule V of the Act and subject to meeting other conditions laid down under said schedule. The Nomination and Remuneration Committee reviewed the terms of approval of payment of remuneration in the light of conditions laid down under schedule V and recommended to the Board to consider the period of approval for payment of remuneration to the Managing Director to three years instead of five years.

Accordingly, the Board seeks the approval of members by way of special resolution for payment of remuneration to Mr. Gautam Pai Kakode as Managing Director and Key Managerial Personnel for a period of three years commencing from February 1, 2020 to 31st January, 2023 in terms of applicable provisions of the Act. Broad particulars of the terms of payment of remuneration payable to Mr. Gautam Pai Kakode are as under:

Particulars	Terms of Appointment
Salary	Consolidated salary of Rs. 5,00,000/- (Rupees Five Lakhs only) per month, including dearness and all other allowances
Perquisites & Allowances	Company will contribute to Provident, Superannuation and Gratuity funds on account of Mr. Gautam Pai Kakode on the same basis as other employees. Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits of remuneration or perquisites as aforesaid. Mr. Gautam Pai Kakode will be entitled to leave according to Company's Leave Rules applicable to other employees. Car for use on Company's business and telephone at residence shall not be considered as perquisites.
Minimum Remuneration in case of inadequacy of profits during any financial year	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.
Severance fees payable by the Company for terminating employment	The Letter of appointment of Mr. Gautam Pai Kakode, as Managing Director contain inter alia, all terms and conditions of his appointment with a provision that the appointment can be terminated by either party by giving a prior notice of at least 30 days in writing, unless waived by the parties with mutual consent.

The provisions of Schedule V of Companies Act 2013 were amended vide a notification bearing SO. No. 4822(E) dated 12th September 2018. As per the amended provisions, in the event of inadequate profits, the company may, subject to certain conditions, including the passing of a special resolution, may pay remuneration to its directors exceeding the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013.

Except for the change as mentioned above, all other terms and conditions of his appointment as approved by the Shareholders earlier at the AGM held on 26th September, 2019 remains unchanged. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Managing Director of the Company.

Except Mr. Gautam Pai Kakode, being appointee and Mrs. Yogita Pai Kakode, being spouse of the appointee, none of the other Directors and Key Managerial Personnels of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4 of this notice.

The Board recommends the Resolutions as set out in the accompanying Notice for the approval of members.

The information as required to be disclosed under Section II of Part II of Schedule V to the Companies Act, 2013 is given in the **Annexure A** to the Notice.

By Order of the Board
For The Southern Gas Limited

Dated: 26th June, 2020
Place: Margao-Goa

Gautam Pai Kakode
Chairman & Managing Director

ANNEXURE A TO THE NOTICE

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

Name of Director	**Mr. Gautam Vithaldas Pai Kakode**
Director Identification Number	02395512
Date of Birth (Age)	April 20, 1970
Date of Appointment	October 29, 2008
Brief resume and expertise in Specific functional area	Mr. Gautam Vithaldas Pai Kakode an enterprising businessman in his own right. He joined The Southern Gas Limited as an Executive in the year 2006. Since his appointment he has assumed leadership of the company and has successfully set up several new production facilities in south India including new plants in Harihar, Hubli, Trichy etc. Further he has also venture into new product mixes and portfolios. This has lead to the increase company turnover by several times. Since he joined the Company. Upon the unfortunate demise of Mr. Madhav Gopal Poy Raiturcar, the late Chairman of The Southern Gas Limited. He was appointed as the C&MD of the Company. He has since been moving ahead with vigorously and enthusiasm to lift the Company to newer heights and greater glory.
Directorships held in other companies	Bangalore Oxygen Company Private Limited Foods And Beverages (India) Private Limited Malabar Oxygen Company Private Limited Poy Raiturcar Properties Private Limited Madhav Poy Raiturcar Trading Company Private Limited
Committee Memberships of other Companies	Nil
Number of shares held in the Company	5,555 equity share (Five Thousand Five Hundred Fifty Five)
Number of meetings of the Board held / attended during the year	4/4 (Four)
Relationship between directors inter-se and with key managerial personnel of the Company	There is no inter-se relationship between Mr.Gautam and other directors or key managerial personnel of the company except spouse Mrs. Yogita Gautam Pai Kakode, a Non-Executive director of the company.
Terms and conditions of appointment/ re-appointment	Mr. Gautam has been appointed in terms of the provisions of Companies Act, 2013 and is responsible to undertake the roles and responsibilities prescribed under the provisions of the Companies Act, 2013 and other laws for the time being in force. In addition, he is also responsible to undertake the roles and responsibilities assigned by the Board from time to time.
Details of remuneration and the remuneration last drawn, if any	details are provided in 56th Annual Report 2019-20

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty Sixth (56th) Annual Report of the Company along with Company's audited financial statements for the financial year ended on March 31, 2020.

Financial Highlights

(Amount in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Income :		
Revenue from Operation	3024.81	3115.71
Other Income	39.96	69.13
Expenses	2973.25	3073.46
Profit Before Depreciation & Tax	256.35	278.58
Less; Depreciation	164.83	167.20
Profit before Tax (PBT)	91.52	111.38
Less; Provision for Taxation		
Current Tax	34.45	39.81
Deferred Tax	(10.55)	25.18
Profit After Tax	67.62	46.39
Other Comprehensive Income	(10.84)	(1.02)
Net Profit	56.78	45.37

Financial Performance/ State of Company Affairs :-

Total income of the Company for FY 2020 stood at Rs. 3,064.77 Lakhs (3,184.84 Lakhs in FY 2019)

Profit from continuing operations before Interest, Depreciation, and Exceptional Items & Tax stood at Rs.256.35 Lakhs.

Profit from continuing operations before Tax (PBT) stood at Rs.91.52 Lakhs and Profit from continuing operations After Tax (PAT) stood at Rs. 67.62 Lakhs. Net profit for the period stood at Rs.56.78

Your Company turnover Rs.3024.81 Lakhs during the year under review as against 3115.71 during the last financial year, hence aggregate turnover decreased by 2.92% as compared to last year, however the aggregate net profit of the company increased by 25.14% as compared to last year.

Dividend

Based on the Company's performance, your Directors are pleased to recommend, for approval of the members, a Dividend of Rs.40/- per Equity Share (40%) on the face value of Rs. 100/- each, aggregating Rs.9.00 Lakhs for the financial year ended March 31, 2020. The dividend payout is subject to the approval of members at the ensuing 56th Annual General Meeting.

Transfer to General Reserve

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

Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mr. Gautam Pai Kakode (DIN: 02395512), Director who retire by rotation at the ensuing 56th Annual General Meeting and being eligible, offer himself for re-appointment.

The Board of Directors in their meeting held on June 26, 2020, further reviewed the remuneration payable to Mr. Gautam Pai Kakode, as a Managing Director & Key Managerial Personnel of the Company approved the same for a period of three years effective from February 1, 2020 to January 31, 2023. Pursuant to schedule V of the Companies Act, 2013 the same requires the approval of the members of the Company at the general meeting.

The requisite details in this connection are contained in the notice convening the 56th Annual General Meeting.

Mr. Rajeev Nagarsenkar resigned as Chief Financial Officer (CFO) w.e.f. 28th October, 2019 and the Board appointed Mr. Shashidhar Haridas as the Chief Financial Officer (KMP) w.e.f. 8th November, 2019.

Mr. Gourish Arolkar resigned as the Company Secretary w.e.f. 18th January, 2020. The Company has already identified a qualified person for the appointment as the Company Secretary and Compliance Officer of the Company.

Event occurred after financial year

The Company has appointed Mr. Hasmukh Prajapati, act as a Company Secretary & Key Managerial Personnel of the Company, and the said appointment shall be effective from July 02, 2020 or the date of his joining the Company."

The brief resumes and other disclosures relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard 2 are given in the **Annexure A** to the Notice of the 56th AGM.

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

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

Management Discussion & Analysis

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

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

integral part of this Report.

Corporate Governance

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

Contracts and Arrangements with Related Parties

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended on 31.03.2020 were in the ordinary course of business and on basis of arms length pricing and do not attract the provisions of Section 188 of the Companies Act, 2013. Thus disclosure in form AOC 2 is not applicable.

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

The information on Related Party Transactions, forming part of this Report, is provided in **Note 2.37** of Annual Financial Statement for the Financial Year ended on 31.03.2020.

Auditors and Auditors' Report

Statutory Auditors

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

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

The observations and comments given by M/s. Lorence & Shankar, Chartered Accountants, Statutory Auditors in their report read together with notes to Accounts for the year ended March 31, 2020 are self-explanatory and hence, do not call for any further comments under Section 134 of the Act.

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

Secretarial Auditors

The Board of Directors of the Company had appointed Mrs. Kritika Satardekar, Practicing Company Secretary to conduct secretarial audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2020 is enclosed as **Annexure – E** and forms an integral part of this Report.

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

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

Risk Management

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

Internal Financial Control and its Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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

Disclosures

Meetings of the Board

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

Audit Committee

For constitution and other details of the Audit Committee, please refer **Annexure – D** to this Report.

All the recommendations made by the Audit Committee were accepted by the Board.

Extracts of Annual Return

In terms of provisions of Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 is enclosed as **Annexure – B** and forms an integral part of this Report. The Annual Return for Financial Year 2019-20 is also available on the Company's website at www.southerngasindia.com.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy establishing vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of

effected Director(s) and Employee(s). In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Registrar and Share Transfer Agent

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

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

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

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

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

Public Deposits

During the year under review, The Company has not accepted/ renewed any Public Deposit/Fixed Deposit during the financial year and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

Particulars of Employees and related disclosures

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

Investor Education and Protection Fund (IEPF)

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

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

As on March 31, 2020, no unclaimed deposits are pending for transfer to Investor Education and Protection Fund.

Credit Rating

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

Material Changes and Commitment affecting the financial position

During the year under review, there were no material changes affecting the financial position of the Company subsequent to the closure of the Fiscal 2020 till the date of this report except the impact of COVID-19.

Prevention of Sexual Harassment

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

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

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

Secretarial Standards

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

Independent director's declaration :

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

Independent directors meeting

During the year under review, an Independent Directors meeting was held on February 7, 2020 in accordance with the provisions of the Companies Act,

2013 and SEBI (LODR) Regulations, 2015.

Share Capital

The paid-up Equity Share Capital as at 31st March, 2020 stood at Rs 22,50,000/- the Company has not issued any further shares.

Listing of Shares

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

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgements, and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts for financial year ended March 31, 2020 on a 'going concern' basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

General

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. The Company does not have any Subsidiary /Associate/Joint Venture Company during the year under review.
5. The provision under section 135 of the Companies Act, 013 in respect of Corporate Social Responsibility is not applicable to the Company.
6. Pursuant to Regulation 15(2) of the SEBI (Listing Obligation and Disclosure Requirement)
7. Regulation, 2015, in respect of Corporate Governance Report is not applicable to the Company.

There is no change in nature of business during the year under review.

Acknowledgement

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

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

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

By Order of the Board
For The Southern Gas Limited

Dated: 26th June, 2020
Place: Margao-Goa

Gautam Pai Kakode
Chairman & Managing Director

ANNEXURE B
MGT-9 EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L31200GA1963PLC000562
2.	Registration Date	29-07-1963
3.	Name of the Company	The Southern Gas Limited
4.	Category/Sub-category of the Company	Public Company limited by Shares
5.	Address of the Registered Office & contact details	Meera Classic Phase II Gogol, Borda, Margao – Goa Tel: 0832 2724863 Email: sglgoa@southerngasindia.com Website: www.southerngasindia.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any :	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059. Phone No.: 022- 262638200 Fax No.: 022-262638299 Email: investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products /services	NIC Code of the Products / services	% to total turnover of the Company
1.	Oxygen	20111	59.71
2.	Nitrous Oxide	21009	17.01

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i. Category-wise share Holding

Category of Shareholders	No of Shares held at the beginning of the year (As on 1st April, 2019)				No of shares held at the end of the year (As on 31 March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual	11106	0	11106	49.36	11111	0	11111	49.38	0.02
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt(s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corporate	300	3400	3700	16.44	3300	400	3700	16.44	Nil
e) Banks/FI	0	0	0	0	0	0	0	0	Nil
f) Any other	0	0	0	0	0	0	0	0	Nil
Subtotal (A) (1)	**11406**	**3400**	**14806**	**65.80**	**14411**	**400**	**14811**	**65.82**	**0.02**
2) Foreign	0	0	0	0	0	0	0	0	Nil
a) NRIs Individuals	0	0	0	0	0	0	0	0	Nil
b) Other Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corporate	0	0	0	0	0	0	0	0	Nil
d) Banks/FI	0	0	0	0	0	0	0	0	Nil
e) Any other	0	0	0	0	0	0	0	0	Nil
Subtotal (A) (2)	0	0	0	0	0	0	0	0	Nil
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	**11406**	**3400**	**14806**	**65.8**	**14411**	**400**	**14811**	**65.82**	**0.02**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	Nil
b) Banks / FI	535	0	535	2.37	535	0	535	2.37	Nil
c) Central Govt.	0	0	0	0	0	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
f) Insurance Companies	2600	0	2600	11.56	2600	0	2600	11.56	Nil
g) FIIs	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
Others (specify)	0	0	0	0	0	0	0	0	Nil
Sub-total (B) (1)	**3135**	**0**	**3135**	**13.93**	**3135**	**0**	**3135**	**13.93**	Nil

Category of Shareholders	No of Shares held at the beginning of the year (As on 1st April , 2019)				No of shares held at the end of the year (As on 31 March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp									
i) Indian	0	210	210	0.93	0	210	210	0.93	Nil
ii) Overseas	0	0	0	0	0	0	0	0	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 2 lakh.	545	3707	4252	18.90	1110	3137	4247	18.88	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	Nil
c) Others (specify)									
i. Clearing Members	0	0	0	0	0	0	0	0	Nil
ii. Foreign Nationals	0	0	0	0	0	0	0	0	Nil
iii. Non Resident Indians (Repat.)	0	0	0	0	0	0	0	0	Nil
iv. Non Resident Indians (non Repat.)	0	0	0	0	0	0	0	0	Nil
v. Trusts	0	0	0	0	0	0	0	0	Nil
vi. IEPF Authority	97	0	97	0.43	97	0	97	0.43	Nil
Sub-total (B) (2)	**642**	**3917**	**4559**	**20.26**	**1207**	**3347**	**4554**	**20.24**	**(0.02)**
Total Public Shareholding (B)=(B) (1)+(B)(2)	**3777**	**3917**	**7694**	**34.19**	**4342**	**3347**	**7689**	**34.17**	**(0.02)**
C Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	Nil
Grand Total (A+B+C)	**15183**	**7317**	**22,500**	**100%**	**18753**	**3747**	**22,500**	**100%**	Nil

ii. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Yogita Gautam Pai Kakode	5556	24.69	0	5556	24.69	0	Nil
2	Gautam Pai Kakode	5550	24.67	0	5555	24.69	0	0.02
3	Foods & Beverages (India) Pvt. Ltd	3300	14.67	0	3300	14.67	0	Nil
4	Bangalore Oxygen Company Pvt. Ltd	400	1.77	0	400	1.77	0	Nil
	Total	**14806**	**65.80**	**0**	**14811**	**65.82**	**0**	**0.02**

iii. Change in Promoters' Shareholding

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Yogita Gautam Pai Kakode				
	At the beginning of the year 01/04/2019	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2020	--	--	5556	24.69
2	Gautam Pai Kakode				
	At the beginning of the year 01/04/2019	5550	24.67	5550	24.67
	Date wise increase/decrease in shareholding during the year	5	0.02	5	0.02
	At the end of the year 31/03/2020	--	--	5555	24.69
3	Foods & Beverages (India) Pvt. Ltd				
	At the beginning of the year 01/04/2019	3300	14.67	3300	14.67
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2020	--	--	3300	14.67
4	Bangalore Oxygen Company Pvt. Ltd				
	At the beginning of the year 01/04/2019	400	1.77	400	1.77
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2020	--	--	400	1.77

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total share of the Company	No of shares	% of total shares of the Company
1	Life Insurance Corp. of India				
	At the beginning of the year 01/04/201 9	1500	6.67	1500	6.67
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2020	--	--	1500	6.67
2	Oriental Insurance Co. Ltd				
	At the beginn ing of the year 01/04/2019	1100	4.89	1100	4.89
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2020	--	--	1100	4.89
3	Syndicate Bank				
	At the beginning of the year 01/04/2019	535	2.38	535	2.38
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2020			535	2.38
7	Shri Suhas Narcinva Pai Angle				
	At the beginning of the year 01/04/2019	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/20 20			500	2.22
8	Shri Vilas Naracinva Pai Angle				
	At the beginning of the year 01/04/2019	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2020			500	2.22

6	Shri Bhagwant Krishna Naik				
	At the beginning of the year 01/04/2019	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2020			435	1.93
7	Shri Upendra Krishna Naik				
	At the beginning of the year 01/04/2019	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2020			435	1.93
8	Shri Keshav Krishna Naik				
	At the beginning of the year 01/04/2019	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2020			435	1.93
9	Piyush Varaiya				
	At the beginning of the year 01/04/2019	205	0.91	205	0.91
	Increase /Decrease in shareholding				
	At the end of the year 31/03/20 20			205	0.91
10	Smt. Janaki D. Khandke				
	At the beginning of the year 01/04/2019	75	0.33	75	0.33
	Increase /Decrease in shareholding	--	---	--	--
	At the end of the year 31/03/2020			75	0.33

v. Shareholding of Directors and Key Managerial Personnel*

Sr. No	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Yogita Pai Kakode				
	At the beginning of the year 01/04/2019	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2020	--	--	5556	24.69
2	Gautam Pai Kakode				
	At the beginning of the year 01/04/2019	5550	24.67	5550	24.67
	Date wise increase/decrease in shareholding during the year	---	--	5	0.02
	At the end of the year 31/03/2020	--	--	5555	24.69

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

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	98.01	-	-	98.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**98.01**	**-**	**-**	**98.01**
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	61.23	-	-	61.23
Net Change	-61.23	-	-	-61.23
Indebtedness at the end of the financial year				
i) Principal Amount	36.78	-	-	36.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	36.78	**-**	**-**	36.78

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rupees)

Particulars of Remuneration	Name of the MD/WTD/Manager Gautam V. Pai Kakode Managing Director	Total Amount
Gross Salary		
Salary as per provisions contained in section 17(1) of the Incometax Act, 1961	60,00,000.00	**60,00,000.00**
Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	**Nil**
Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil
Stock Option	Nil	**Nil**
Sweat Equity	Nil	**Nil**
Commission -as % of profit -others, specify	Nil	**Nil**
Others, please specify Contribution to Provident Fund	21,600.00	**21,600.00**
Total (A)	**60,21,600.00**	**60,21,600.00**

B. Remuneration to other Directors:-

(Amount in Rupees)

Particulars of Remuneration	Name of Directors			Total Amount
Independent Directors	**Sripad P. Patnekar**	**Anbunathan Murugaian**	**Purushottam mantri**	**Total Amount**
Seating Fee for attending Board /committee meetings	12,000.00	12,000.00	12,000.00	**36,000.00**
Commission	Nil	Nil	Nil	**Nil**
Others, please specify	Nil	Nil	Nil	**Nil**
Total (1)	12,000.00	12,000.00	12,000.00	**36,000.00**
Other Non-Executive Directors	**Yogita G. Pai Kakode**	**Motilal S. Keny**		
Seating Fee for attending Board /committee Meetings	12,000.00	12,000.00		**24,000.00**
Commission				
Others, please specify				
Total (2)	12,000.00	12,000.00		**24,000.00**
Total (B)=(1+2)	**24,000.00**	**24,000.00**	**12,000.00**	**60,000.00**

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

(Amount in Rupees)

Particulars of Remuneration	Key Managerial Personnel			Total
	Rajeev Nagarsenkar Up to 08.11.2019	**Shashidhar Haridas W.e.f 08.11.2019**	**Gourish Arolkar Upto 18.01.2020**	
Gross Salary				
(a) Salary as per provisions contained in section 17 (1)of the Income Tax act,1961	2,90,492.00	2,93,797.00	2,49,111.00	**8,33,400.00**
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	**Nil**
(c) Profits in lieu of salary u/s 17 (3) of the Income Tax act, 1961	Nil	Nil	Nil	**Nil**
Stock option	Nil	Nil	Nil	**Nil**
Sweat Equity	Nil	Nil	Nil	**Nil**
Commission	Nil	Nil	Nil	**Nil**
-as % of profit	Nil	Nil	Nil	**Nil**
-others, specify	Nil	Nil	Nil	**Nil**
Others, please specify				
Employer's Contribution to Provident Fund	12,600.00	9,000.00	16,200.00	**37,800.00**
Other Benefits	92,037.00	51,856.00	72,696.00	**2,16,589.00**
Total	**3,95,129.00**	**3,54,653.00**	**3,38,007.00**	**10,87,789.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Margao-Goa
Date: June 26, 2020

Gautam V Pai Kakode
Managing Director
DIN: 02395512

Motilal S Keny
Director
DIN: 06813111

ANNEXURE - C TO THE DIRECTORS' REPORT

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

A	Conservation of Energy	Particulars
	i) The steps taken or impact on conservation of energy	All the machinery is kept in good condition which helps to reduce the consumption of electrical load. Oil used is only for lubrication purpose.
	ii) The steps taken by the company for utilizing alternate sources of energy.	Existing high electricity consuming Fluorescent and sodium lamps are replaced with LED bulbs and thus the consumption of electrical power for lighting has been drastically come down. The water coming out from the heat exchangers are cooled in the pond by sprinkling process and thus reduced the usage of cooling tower which is the energy consuming equipment. Rain water harvesting is implemented and there has been a significant improvement in water levels in the nearby well. In DA plant 5hp old beacon pump is replaced with 3hp pump, also the overhead tank water pump of 5hp beacon is replaced with 5hp V Guard pump, this inturn discharges more and utilises less time which leads to power saving. Efficient usages of equipments are also monitored for rated production for energy conservation.
	iii) the capital investment on energy conservation equipments	Nil
B	**Technology Absorption**	
	(i) efforts made towards technology absorption	The Company always keeps itself updated with all latest technological innovations by way of constant communications and consultations. Efforts are being made to reduce cost and to improve performance.
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
	(I) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – (a) the details of technology imported (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Nil
	(iv) The expenditure incurred on Research and Development.	Nil
C	**Foreign Exchange Earnings and Outgo:**	The total foreign exchange outgo during the year 2019-20 was equivalent to Rs. 15,41,939.00 Foreign Exchange earned during the year 2019-20 was Nil.

ANNEXURE D TO THE DIRECTOR REPORT

Board of Directors

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

As on March 31, 2020, the Board comprises of Six Directors. The names and categories of Directors, the number of Directorship and Committee position(s) held by them in the companies, meetings attended by them and other relevant particulars are given below.

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

Y=Yes N=No N= None N.A= not related to any other director of the Company

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

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

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

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

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

Board Meetings

During the financial year ended on March 31, 2020 the Board of Directors met Four (4) times on the following dates:-

May 30, 2019, August 9, 2019, November 8, 2019 and February 7, 2020.

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

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

Board Procedures

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

Code of Conduct

The Board of Directors has laid down Code of Conduct for Business and Ethical (the Code) for all the Board Members and senior managers of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct , fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board Members and senior management personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director and CFO is attached and forms part of the Annual Report of the Company.

Audit Committee Constitution

As on March 31, 2020 the Audit Committee comprises of the following Non-Executive Directors & Executive Director :

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

Terms of Reference

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

Role of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- ✔ Matters to be included in the Directors' Responsibility Statement for the inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
- ✔ Changes, if any, in accounting policies and practices and reasons for the same.
- ✔ Major accounting entries involving estimates based on the exercise of judgment by management.
- ✔ Significant adjustments made in the financial statements arising out of audit findings.
- ✔ Compliance with listing and other legal requirements relating to financial statements.
- ✔ Disclosure of Related Party Transactions.
- ✔ Modified opinion(s) in the draft audit report.

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

The audit committee shall mandatorily review the following information

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

Powers of the Audit Committee

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

Meetings & Attendance

During the financial year 2019-2020, 4 (Four) Audit Committee meetings were held on May 30, 2019, August 9, 2019, November 8, 2019 and February 7, 2020. The details of Members' attendance at the meetings of Audit Committee are as under :

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

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

Nomination and Remuneration Committee Constitution

As on March 31, 2020 the Nomination and Remuneration Committee comprises of the following Non-Executive Directors :

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

Terms of Reference

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

Role of the Nomination and Remuneration Committee:

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

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

Meetings & Attendance

During the financial year 2019-2020, 3 (Three) Nomination & Remuneration Committee meetings were held on May 30, 2019, November 8, 2019 and February 7, 2020. The details of Members' attendance at the meetings of Audit Committee are as under :

	No. of Meetings	
Name of Member	Held	Attended
Mr. S. P. Patnekar	3	3
Mr. Anbunathan Murugaian	3	3
Mr. Purushottam S. Mantri	3	3
Mr. M. S. Keny	3	3

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

Details of Remuneration of Directors

The Company has not paid any remuneration to any of its Non-Executive Directors, except Sitting Fees for attending meetings of the Board and all its Committees for which Rs.3,000/- per meeting was paid for Board. The aggregate amount of sitting fees paid during the financial year 2019-2020 was Rs. 60,000/- (excluding applicable taxes). The director wise payment of sitting fee is provided in Form MGT-9 attached as **Annexure – B** to the Directors' Report.

The aggregate amount of remuneration paid to the Managing Director during the financial year 2019-2020 was Rs. 60,21,600/- (excluding applicable taxes)

breakup details of payment of remuneration provided in Form MGT-9 attached as **Annexure – B** to the Directors' Report.
No stock options were issued to the Directors during the period under report.

Stakeholders' Relationship Committee Constitution

As on March 31, 2020 the Stakeholders' Relationship Committee comprises of the following Non-Executive Directors :

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

Terms of Reference

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

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

Meetings & Attendance

During the financial year 2019-2020, 3 (Three) Nomination & Remuneration Committee meetings were held on August 9, 2019, November 8, 2019 and February 7, 2020. The details of Members' attendance at the meetings of Audit Committee are as under :

	No. of Meetings	
Name of Member	**Held**	**Attended**
Mr. S. P. Patnekar	3	3
Mr. Anbunathan Murugaian	3	3
Mr. M. S. Keny	3	3

Separate Independent Directors' Meeting Constitution

As on March 31, 2020 the Separate Independent Directors' Committee comprises of the following Non-Executive Directors :

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

Terms of Reference

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

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

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

Meetings & Attendance

During the Financial year ended on 31.03.2020, one Separate Meeting of Independent Directors' was held on February 7, 2020. The meeting inter alia discussed :

	No. of Meetings	
Name of Member	**Held**	**Attended**
Mr. S. P. Patnekar	1	1
Mr. Anbunathan Murugaian	1	0
Mr. Purushottam S. Mantri	1	1

By Order of the Board
For The Southern Gas Limited

Dated: 26th June, 2020
Place: Margao-Goa

Gautam Pai Kakode
Chairman & Managing Director
DIN : 02395512

Annexure E

Form no. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020(hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of :

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c) c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009***(Not applicable to the Company during the audit period);***
d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999***(Not applicable to the Company during the audit period);***
e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008***(Not applicable to the Company during the audit period);***
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009***(Not applicable to the Company during the audit period);*** and
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998***(Not applicable to the Company during the audit period).***

vi. The following laws and Regulations applicable specifically to the Company (as per there presentation made by the company) viz.,
(i) Water (Prevention and Control of Pollution) Act, 1974; and Rules made thereunder
(ii) Air(Prevention and Control of Pollution) Act, 1981; and Rules made thereunder
(iii) The Goa, Daman and Diu Shops and establishments Act, 1973 & The Goa Daman and Diu Shops and Establishments Rules, 1975.
(iv) The Legal Metrology Act, 2009 and the Rules made there under
(v) Drugs and Cosmetics Act, 1940 and the Rules made there under
(vi) The Explosives Act, 1884 and the Rules made there under
(vii) Gas Cylinders Rules, 2016
(viii) The Petroleum Act, 1934 and the Rules made there under

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

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

During the period under review the Company generally has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation: -

Out of 14,806 Equity Shares of Rs 100 each, held by the Promoter(s) and promoter groups, only 400 Equity Shares are still in the process of dematerialization.

I further report that -

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

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

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

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

I further report that during the audit period: -

Mr. Gourish Arolkar, Company Secretary and Compliance Officer resigned w.e.f. January 2020. The Company is in the process of filing up the vacancy. The Board of Directors have appointed Mr. Shashidhar Haridas, CFO as Compliance officer effective from January 20, 2020.

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

Kritika Satardekar
Practicing Company Secretaries
ACS No.25448 & CP No: 13645
UDIN: A025448B000383751

Date: June 26,2020
Place: Mapusa, Goa

ANNEXURE 'A'

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

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

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

Date: June 26,2020
Place: Mapusa, Goa

ANNEXURE – E TO THE DIRECTORS' REPORT

(A) Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

(Amount in Rs.)

Sr. No.	Name of Director / KMP and Designation	Designation	Remuneration paid in FY 2019-20	% increase in Remuneration in the financial year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Gautam V. Pai Kakode	Managing Director	60,21,600	Nil	19.93 :1
2.	Mrs. Yogita G. Pai Kakode*	Non-Executive Director	12,000*	Nil	Nil
3.	Mr. M. S. Keny*	Non-Executive Director	12,000*	Nil	Nil
4.	Mr. S. P. Patnekar*	Independent Director	12,000*	Nil	Nil
5.	Mr. Anbunathan Murugaian	Independent Director	12,000*	Nil	Nil
6.	Mr. Purushottam Mantri	Independent Director	12,000*	Nil	Nil
7.	Rajeev Nagarsenkar #	CFO	3,95,129	Nil	N.A.
8.	Gourish Arolkar#	Company Secretary	3,38,007	Nil	N.A.
9.	Mr. Shashidhar Haridas#	CFO	3,54,653	Nil	N.A.

* Paid sitting fees for attending Board Meetings.
# Gourish Arolkar has resigned w.e.f 18th January, 2020
# Rajeev Nagarsenkar has resigned w.e.f 8th November, 2019
# Shashidhar Haridas has appointed as a CFO w.e.f. 8th November, 2019

i) The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2019-20 was 12.47%

ii) There were 118 permanent employees on the rolls of the Company as on 31st March, 2020.

iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 6.12% whereas the increase in the managerial remuneration for the same financial year was 2.51%.

iv) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(B) Particulars of Employees pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Directors' Report for the year ended 31st March, 2020.

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

Sr. No.	Name of the Employee	Designation
1	Sadananda Pai. H	General Manager - Operations
2	James Balu	Senior Manager - HR & Admin
3	Shashidhar Haridas	CFO
4	Vinodkumar C.	Manager – Accounts and Admin
5	Girish Kumar	Plant Engineer

6	Satheesh Prabhu	Plant Engineer
7	Geeta Prabhudesai	Manager – Accounts
8	Pramodkumar Mallya	Dy. Manager QC and EDP
9	Shashikanth Reddy Devaramani	Business Development Manager
10	Shashikanth Udupa	Quality Control Officer

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

For and on behalf of the Board of Directors

Place: Margao-Goa
Date: June 26, 2020

Gautam V Pai Kakode
Managing Director
DIN: 02395512

Motilal S Keny
Director
DIN: 06813111

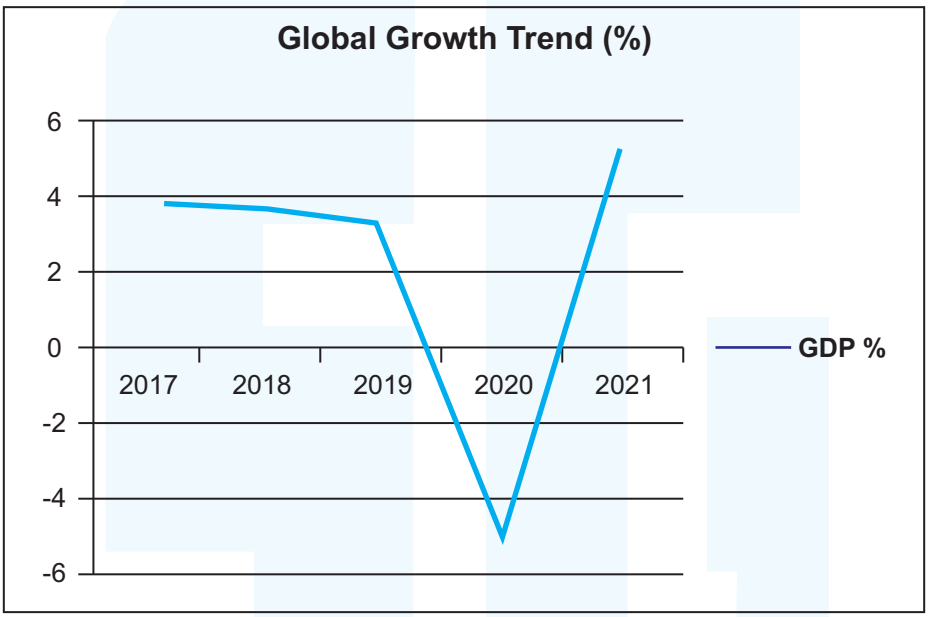
Management Discussion Analysis Report

World

At the start of calendar year 2020, global growth reported early signs of manufacturing activity and global trade bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favourable news on US-China trade negotiations and diminished fears of a no-deal BREXIT. However, the emergence of COVID-19, affecting nearly every corner of the world, has injected a great deal of uncertainty into the global macroeconomic conditions.

Restrictions necessary to contain the spread, including social distancing and lockdowns, have exacted a considerable toll on businesses and livelihoods. Risk aversion is on the rise, while views on economic activity, earnings and credit quality have deteriorated sharply. But global policy response across governments and central banks have helped avert an even steeper crisis. Local measures are supporting displaced workers and daily wage-earners in the near term.

In its June 2020 estimates, the International Monetary Fund (IMF) predicted that the global GDP will contract by 4.9% in 2020. Projections of weaker private consumption reflect a combination of a large adverse aggregate demand shock and a rise in precautionary savings. Moreover, investment is expected to be subdued as firms defer capital expenditures deterioration in private domestic demand. The adverse impact on low-income households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. a lengthier lockdown will inflict an additional toll on activity.



P: Projections | Source: International Monetary Fund (IMF) World Economic Outlook June 2020

Outlook

Given a baseline scenario, which assumes that the pandemic decelerates towards the end of 2020 and that containment policies can be retracted gradually, the world economy will expand by 5.4% in 2021 with the help of coordinated policy support. All countries, including those that have seemingly passed peaks in infections, should ensure that their health care systems are adequately resourced. The international community must vastly step up its support of national initiatives, including through financial assistance to countries with limited healthcare capacity and channelizing of funding for vaccine production as trials advance, so that adequate, affordable doses are quickly available to all countries.

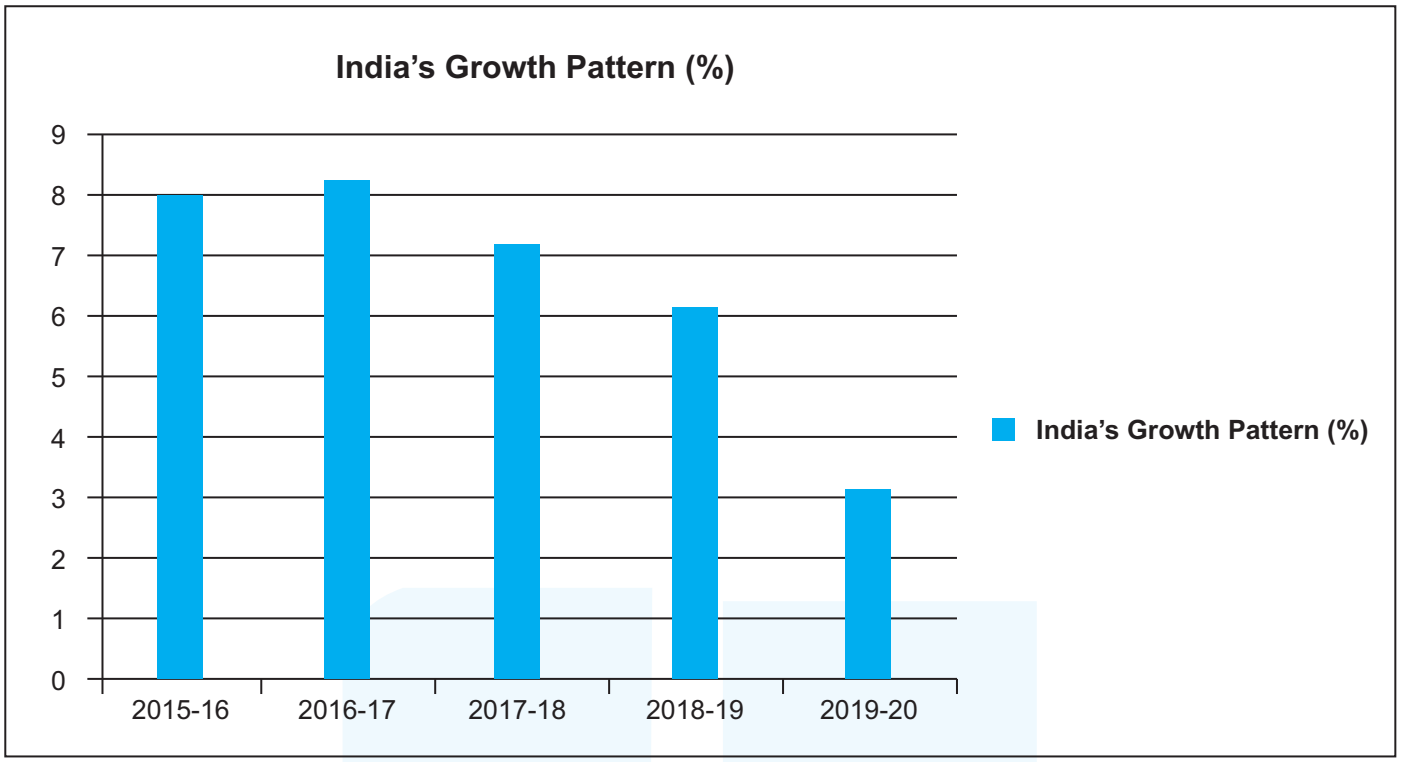
Source: International Monetary Fund (IMF) World Economic Outlook June 2020

India

The Indian economy was riding out cyclical and structural factors in FY 2018-19 and most parts of FY 2019-20 due to muted private consumption, a contraction in manufacturing and sluggish investments. However, the emergence of COVID-19 has cast a shadow on any prospects of a recovery. The Indian economy recorded its slowest growth in a decade at 4.2%.

The Government of India, together with the states, imposed a nationwide lockdown from March 25, 2020, to stem the contagion. The shutdown translated into disruptions in supply chain and a steep fall in consumption. External risks have increased significantly, due to weakened export demand, reduced investor confidence and non-availability of raw materials and intermediate inputs.

To offset the lockdown losses and set the economy on the path to recovery, the government announced a series of short- and long-term policy initiatives. The fiscal support under 'Aatma Nirbhar Bharat Abhiyan' rolled out on May 12, 2020, intends to inject ` 20.90 lakh crores into the economy, ~10% of the nominal GDP of India.



Source: Central Statistics Office; Economic Survey of India

Industry Structure and Developments

Medical Gas Market 2020 Share Growing Rapidly with Recent Trends, Revenue, Top Players, Development, Demand and Forecast to 2026

07-27-2020 06:25 PM CET | Health & Medicine

Press release from: Data Bridge Market Research Pvt. Ltd.

This Medical Gas market report practices the latest tools and techniques for researching, analyzing and assembling data and information. The market study conducted in this large scale market report spans diverse markets in accord with the requirement of Healthcare industry and scoop out the most promising solutions and in-depth information about the market trends.

A medical gas is the gas which is manufactured, packaged, and planned for administration to a patient in therapy, anaesthesia, or diagnosis purposes. The medical gases are mainly used in home healthcare, hospitals, biotechnology & pharmaceutical companies, emergency service providers and also in academic & research institutions. Medical Air, Carbon Dioxide, Oxygen, Nitrogen and Nitrous Oxide are the most common used medical gases in the hospital areas including recovery areas, patient rooms, operating rooms, and others.

Global medical gas market is expected to reach a healthy CAGR of 7.2% in the forecast period of 2019 to 2026.

On the basis of product, the market is segmented into medical gases and medical gas equipment. Medical gases segment is sub-segmented into Pure Medical Gases and Medical Gas Mixtures. Pure Medical Gases segment is further segmented into type and form of delivery. The type segment is further sub-segmented into oxygen, carbon dioxide, nitrous oxide, nitrogen, helium and medical air. The form of delivery segment is further sub-segmented into high pressure cylinders, liquid cylinders and bulk delivery. Medical Gas Mixtures segment is further segmented into blood-gas mixtures, lung diffusion mixtures, carbon dioxide–oxygen mixtures, nitrous oxide–oxygen mixtures, laser-gas mixtures, aerobic gas mixtures, anaerobic gas mixtures, ethylene oxide and helium-oxygen mixtures. Medical gas equipment segment is sub-segmented into equipment accessories, oxygen concentrators, Cryogenic Products (Freezers) and gas delivery systems. The Equipment Accessories segment is further sub-segmented into hoses optical, manifolds, regulators, flowmeters, suction regulators, vacuum systems, outlets, medical air compressors, monitoring systems (Alarms & Monitors) and valves with integrated pressure regulators (VIPRS). The medical gases segment is growing at the highest CAGR in the forecast period of 2019 to 2026.

Segment–wise or product-wise performance

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

Outlook

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

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

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

Risks and Concerns

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

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

Internal Control Systems and their Adequacy

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

Discussion on financial performance with respect to operational performance.

Operational Performance Highlights:

Particulars	F.Y. 2019-20 (Amount in lakh)	F.Y. 2018-2019 (Amount in lakh)
Revenue from Operations	3024.81	3115.71
Expenses :		
Cost of material consumed	1158.18	1255.82
Gross Profit	1866.63	1859.89
Gross Profit	61.71%	59.69%

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

The revenue from operations during the year under review has fallen by 2.92 % mainly on account of lower sales. However, despite of fall in turnover, gross profit percentage has improved due to increase in selling prices and better product mix composition.

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

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

Cautionary Statement

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

For and on behalf of the Board of Directors

Gautam V Pai kakode
Managing Director
DIN: 02395512

Motilal S Keny
Director
DIN: 06813111

Place: Margao-Goa
Date: June 26, 2020

INDEPENDENT AUDITORS' REPORT

To,
The Members
The Southern Gas Limited
Margao, Goa

Opinion

We have audited the standalone financial statements of **The Southern Gas Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our Audit
Revenue Recognition The Company's revenue is mainly derived from the sale of liquid gases stored in Cylinders, Cylinder Maintenance, and a minor amount from Penalty for delayed return of cylinders. The Company recognizes revenue upon full execution of the terms of sale, which normally coincides with delivery. The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold, and time frame for return of cylinders. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement.	Our audit approach was a combination of test of internal controls and substantive procedures including : • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the 'Companies (Auditors Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement & the Statement of changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" to this report

g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has pending litigations which are disclosed in the Contingent Liabilities in Note No. 2.33 to the accounts. The impact of the same has been disclosed.

(ii) The Company does not have long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

(iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Place: Margao-Goa
Date: 26th June, 2020

Lorence J Malekar
Partner,
M.No. 024751
UDIN NO : 20024751AAAABJ4193

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As informed to us, fixed assets have been physically verified by the management at reasonable intervals, except for gas cylinders with customers. No material discrepancies were noticed on such verification.

(c) Title deeds of immoveable properties are held in the name of the Company.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable, and as informed to us no material discrepancies were noticed.

(ii) The Company has not granted any unsecured loan to a company covered in the Register maintained under Section 189 of the Companies Act, 2013, which is outstanding at the year end, hence the sub clauses are inapplicable.

(iv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any transaction which is covered under the provisions of Section 185 and 186 of the Act, with respect to the loans, investments and security made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, this clause is inapplicable to the company.

(vi) The company is not covered under Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

(vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Central sales-tax , service tax, , value added tax, Goods and Service Tax, Excise Duty and other material statutory dues with the appropriate authorities , though there have been delays in few cases.

(b) As explained to us, no undisputed amounts payable thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and as per verification of records of the company, all disputed amounts of taxes which have been deposited with the authorities as at 31.03.2020.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company has not borrowed any amount from Government or Debenture holders.

(ix) The Company has not raised money by way of public issue/ follow-on offer (including debt instruments), nor through term loans. Hence this clause is inapplicable to the company.

(x) (iii)No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our Audit.

(xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, this clause is not applicable to the Company.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, etc, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is inapplicable to the company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with them.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

Lorence J Malekar
Partner,
M.No. 024751

Place: Margao-Goa
Date: 26th June, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE SOUTHERN GAS LIMITED

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

We have audited the internal financial controls over financial reporting of THE SOUTHERN GAS LIMITED ('the Company') as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. Auditors' Responsibility

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

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020

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

Lorence J Malekar
Partner,
M.No. 024751

Place: Margao-Goa
Date: 26th June, 2020

THE SOUTHERN GAS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2.01	1081,65,996	1194,09,655
(b) Capital work-in-progress	2.01	7,98,246	7,98,246
(c) Other Intangible Assets	2.01	5,41,851	-
(d) Financial assets			
(i) Non - Current Investments	2.02	10,000	10,000
(ii) Loans & Advances	2.03	120,41,789	119,73,875
(iii) Others	2.04	22,46,690	217,75,904
(e) Other non- current assets	2.05	9,40,351	6,15,204
Total non-current assets (A)		**1247,44,922**	**1545,82,884**
Current Assets			
(a) Inventories	2.06	107,80,422	80,15,793
(b) Financial assets			
(i) Trade Receivables	2.07	500,65,420	493,12,041
(ii) Cash and cash equivalents	2.08	142,22,234	178,34,713
(iii) Bank Balances other than (ii) above	2.09	414,97,062	119,29,996
(iv) Other Current financial assets	2.10	3,89,828	2,66,824
(d) Current tax assets	2.11	24,05,959	16,40,760
(e) Other current assets	2.12	35,23,158	18,06,949
Total current assets (B)		**1228,84,082**	**908,07,075**
Total Assets (A+B)		**2476,29,004**	**2453,89,958**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.13	22,50,000	22,50,000
(b) Other Equity	2.14	1571,23,044	1525,30,225
Total Equity (A)		**1593,73,044**	**1547,80,225**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	2.15	8,97,466	48,37,036
(b) Long Term Provisions	2.16	64,98,980	51,73,113
(c) Deferred tax liability (net)	2.17	85,94,000	96,49,400
Total non current liabilities (B)		**159,90,446**	**196,59,549**
Current Liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	2.18	1,880	12,88,296
(ii) Trade payables	2.19		
- Total outstanding dues of Micro & Small Enterprises		-	-
- Total outstanding dues of Others		132,26,032	106,34,171
(iii) Other Current financial liabilities	2.20	517,18,581	505,71,773
(b) Other current liabilities	2.21	69,58,799	79,33,015
(c) Short Term Provisions	2.22	3,60,222	5,22,928
Total current liabilities (C)		**722,65,514**	**709,50,183**
Total equity and Liabilities (A + B + C)		**2476,29,004**	**2453,89,958**

Significant Accounting Policies & Notes on accounts 1 & 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

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

Shashidhar Haridas
Chief Financial Officer & Compliance Officer

Place: Margao, Goa
Date: 26/06/2020

Place: Margao, Goa
Date: 26/06/2020

THE SOUTHERN GAS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rupees)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I.	**INCOME**			
	Revenue from operations	2.23	3024,80,720	3115,70,877
II.	Other Income	2.24	39,96,043	69,13,383
III.	**Total Income (I+II)**		3064,76,763	3184,84,260
IV.	**EXPENSES**			
	a. Cost of materials consumed	2.25	947,75,287	967,04,166
	b. Purchase of traded goods	2.26	212,07,173	290,81,926
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	2.27	(1,63,935)	(2,03,759)
	d. Employee benefits expense	2.28	668,94,027	632,74,518
	e. Finance costs	2.29	5,87,235	8,29,062
	f. Depreciation and amortisation expenses	2.01	164,82,568	167,20,392
	g. Other expenses	2.30	975,42,771	1009,39,869
	Total Expenses		**2973,25,124**	**3073,46,174**
V.	**Profit before tax (III-IV)**		91,51,639	111,38,086
VI.	**Tax expense:**			
	a. Income Tax - Current		34,75,000	24,18,912
	b. Income Tax - Previous Years		(29,752)	15,61,888
	c. Deferred tax		(10,55,400)	25,17,800
VII.	**Profit for the period (V-VI)**		67,61,791	46,39,486
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to profit or loss:		(10,83,974)	(1,02,310)
	Remeasurement of the net defined benefit liability / Asset		(10,83,974)	(1,02,310)
	Total Other Comprehensive Income		**56,77,817**	**45,37,176**
	Total Comprehensive Income for the period			
	Earnings per equity share:			
	Nominal value of share Rs. 100/- (Rs. 100/-) Basic and Diluted	2.31	252.35	201.65

Significant Accounting Policies & Notes on accounts 1 & 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Place: Margao, Goa
Date: 26/06/2020

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

Shashidhar Haridas
Chief Financial Officer & Compliance Officer

Place: Margao, Goa
Date: 26/06/2020

THE SOUTHERN GAS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31ST, 2020

(Amount in Rupees)

A) EQUITY SHARE CAPITAL

Equity Shares of Rs. 100 each issued, subscribed and fully paid up	**Numbers**	*Rupees*
As at April 1st, 2019	**22,500**	**22,50,000**
Changes in Equity Share Capital during the year	-	-
As at March 31st, 2020	**22,500**	**22,50,000**

B) OTHER EQUITY

For the year ended March 31, 2020

Particulars	**RESERVES & SURPLUS**		**Other Comprehensive Income (OCI)**	**Total**
	General Reserve	**Retained Earnings**		
As at April 1, 2019	**320,72,589**	**1204,57,637**	-	**1525,30,226**
Profit/ (Loss) for the year	**-**	67,61,791	-	67,61,791
Other Comprehensive Income/ (Loss)	-		(10,83,974)	(10,83,974)
Transfer of Gains/ (losses) from OCI to Retained Earnings	-	(10,83,974)	10,83,974	-
Total Comprehensive Income/ (Loss)		**1261,35,454**	**-**	**1582,08,043**
Transfer from Retained Earnings	20,00,000	(20,00,000)	-	-
	340,72,589	1241,35,454	-	1582,08,043
Dividend Paid	-	(9,00,000)	-	(9,00,000)
Dividend Distribution Tax	-	(1,84,998)	-	(1,84,998)
As at March 31, 2020	**340,72,589**	**1230,50,455**	**-**	**1571,23,044**

For the year ended March 31, 2019

Particulars	**RESERVES & SURPLUS**		**Other Comprehensive Income (OCI)**	**Total**
	General Reserve	**Retained Earnings**		
As at April 1, 2018	**300,72,589**	**1185,98,584**	-	**1486,71,173**
Profit/ (Loss) for the year	**-**	46,39,486	-	46,39,486
Other Comprehensive Income/ (Loss)	-		(1,02,310)	(1,02,310)
Transfer of Gains/ (losses) from OCI to Retained Earnings	-	(1,02,310)	1,02,310	-
Total Comprehensive Income/ (Loss)		**1231,35,760**	**-**	**1532,08,349**
Transfer from Retained Earnings	20,00,000	(20,00,000)	-	-
	320,72,589	1211,35,760	-	1532,08,349
Dividend Paid	-	(5,62,500)	-	(5,62,500)
Dividend Distribution Tax	-	(1,15,624)	-	(1,15,624)
As at March 31, 2019	**320,72,589**	**1204,57,636**	**-**	**1525,30,225**

As per our report of even date attached

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

CA. Lorence J. Malekar
Partner

M. No. 024751
Place: Margao, Goa
Date: 26/06/2020

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

Shashidhar Haridas
Chief Financial Officer & Compliance Officer

Place: Margao, Goa
Date: 26/06/2020

THE SOUTHERN GAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rupees)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash Flows from Operating Activities		
Total Comprehensive Income before tax	80,67,665	110,35,776
Adjustments for:		
- Depreciation	164,82,568	167,20,392
- Interest Income	(30,92,663)	(24,95,363)
- Interest expense	5,87,235	8,29,062
- Provision for Doubtful Debts/ (W/back)	4,20,907	(12,20,846)
- Bad debts written off	5,25,236	35,76,350
- Profit on Sale or write off of fixed assets	(8,44,307)	(31,01,576)
Sub total	**140,78,975**	**143,08,019**
Operating Profit before Working Capital Changes	**221,46,640**	**253,43,795**
Adjustments for working capital changes:		
(Increase)/ Decrease in Trade Receivables	(16,99,521)	(19,86,436)
(Increase)/ Decrease in Inventories	(27,64,629)	(7,65,744)
(Increase)/ Decrease in Loans and Advances (Non-Current)	(67,914)	(7,35,576)
(Increase)/ Decrease in Other Current Financial Assets	(1,23,004)	1,11,998
(Increase)/ Decrease in Current Tax Assets	(7,65,199)	25,34,723
(Increase)/ Decrease in Other Current Assets	(17,16,209)	3,87,225
(Increase)/ Decrease in Other Non Current Assets	(3,25,147)	(4,82,787)
Increase/ (Decrease) in Trade Payables	25,91,861	(4,65,892)
Increase/ (Decrease) in Short-Term Provisions	(1,62,706)	4,11,817
Increase/ (Decrease) in Long-Term Provisions	13,25,867	1,12,499
Increase/ (Decrease) in Other current Liabilities	(9,74,216)	(56,04,280)
Increase/ (Decrease) in Other Current Financial Liabilities	11,46,808	31,66,463
	(35,34,010)	**(33,15,991)**
Cash generated from Operations	**186,12,630**	**220,27,804**
Direct taxes	(34,45,248)	(39,80,800)
Cash flow before extraordinary Items	**151,67,382**	**180,47,004**
Extraordinary items	-	-
Net Cash from/(used) in Operating Activities	**151,67,382**	**180,47,004**
B Cash Flows from Investing Activities		
Purchase of Fixed Assets	(58,38,144)	(212,94,017)
Sale of Fixed Assets	9,01,692	30,89,706
(Increase)/ Decrease in Other Non Current Financial Assets	195,29,214	(180,84,245)
(Increase)/ Decrease in Other Bank Balances	(295,67,066)	132,05,551
Interest Received	30,92,663	24,95,363
Net Cash from/(used) in Investing Activities	**(118,81,641)**	**(205,87,642)**

THE SOUTHERN GAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rupees)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
C Cash Flows from Financing Activities		
Proceeds/(Repayment) of Long Term Borrowings	(39,39,570)	3,01,970
Proceeds/(Repayment) of Short Term Borrowings	(12,86,416)	(13,81,995)
Interest paid	(5,87,235)	(8,29,062)
Dividends and Corporate Dividend Tax paid	(10,84,998)	(6,78,124)
Net Cash from/(used) in Financing Activities	**(68,98,219)**	**(25,87,210)**
Summary		
Net Cash from/(used) Operating Activities	151,67,382	180,47,004
Net Cash from/(used) in Investing Activities	(118,81,641)	(205,87,642)
Net Cash from/(used) in Financing Activities	(68,98,219)	(25,87,210)
Net Increase (Decrease) in Cash Equivalents	(36,12,479)	(51,27,848)
Cash and Cash Equivalents at beginning of the year	**178,34,713**	**229,62,561**
Cash and Cash Equivalents at the end of the year	**142,22,234**	**178,34,713**
	(36,12,479)	**(51,27,848)**

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

Significant Accounting Policies & Notes on accounts **1&2**
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Place: Margao, Goa
Date: 26/06/2020

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

Shashidhar Haridas
Chief Financial Officer & Compliance Officer

Place: Margao, Goa
Date: 26/06/2020

THE SOUTHERN GAS LIMITED

1. Significant accounting policies forming part of financials

Corporate Information

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

i) Basis of Accounting & Statement of Compliance

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

ii) Use of Estimates

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

iii) Revenue Recognition

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

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

iv) Property, Plant & Equipment

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

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

v) Capital Work-in-progress:

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

THE SOUTHERN GAS LIMITED

1. Significant accounting policies forming part of financials

vi) Impairment of Assets

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

vii) Depreciation/ Amortization

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

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

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

viii) Borrowing Costs

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

ix) Foreign Currency Transaction

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

x) Inventories

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

xi) Investments

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

xii) Employee Benefits :

a) Short Term Employee Benefits

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

b) Defined Contribution Plans

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

c) Defined Benefit Plans

Gratuity:

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

THE SOUTHERN GAS LIMITED

1. Significant accounting policies forming part of financials

d) Long term Employee benefits

Compensated Absences

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

e) Termination Benefits:

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

xiii) Income taxes

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

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

xiv) Earnings per share

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

xv) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are neither recognised nor disclosed in the accounts.

xvi) Cash flow statement

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

xvii) Segmental Reporting

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

xviii) Leases

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

THE SOUTHERN GAS LIMITED
Notes forming part of Financials

2.01 Property, Plant & Equipment, Capital Work in Progress & Other Intangible Assets *(Amount In Rupees)*

Description	Freehold Land and Imrovements	Leasehold Lands	Buildings	Plant & Machinery (Including Cylinders)	Vacuum Insulated Transport Tanker	Electrical Fittings	Furniture & Fittings	Motor Cars & Vehicles	Office Equipments	Customised Software & Website	Total
A) Tangible Assets (Property, Plant and Equipment)											
Cost											
As at 1st April, 2018	**108,75,060**	**90,31,073**	**297,56,828**	**2687,25,152**	**120,39,777**	**16,20,149**	**68,96,931**	**305,55,196**	**85,73,458**	-	**3780,73,624**
Additions (including tranfers from C-W-I-P)	-	-	30,33,818	91,78,105	52,91,673	14,226	19,26,373	9,46,823	9,03,000	-	212,94,017
Deductions	-	-	-	12,32,407	19,71,794	-	-	-	-	-	32,04,201
As at 31st March, 2019	**108,75,060**	**90,31,073**	**327,90,646**	**2766,70,850**	**153,59,656**	**16,34,375**	**88,23,304**	**315,02,019**	**94,76,458**	-	**3961,63,440**
Additions (including tranfers from C-W-I-P)	-	-	18,66,266	23,63,177	-	7,076	5,62,376	-	4,83,749	5,55,500	58,38,144
Deductions	-	-	-	4,79,497	-	-	-	4,90,347	-	-	9,69,844
As at 31st March, 2020	**108,75,060**	**90,31,073**	**346,56,912**	**2785,54,530**	**153,59,656**	**16,41,451**	**93,85,680**	**310,11,672**	**99,60,206**	**5,55,500**	**4010,31,741**
Depreciation											
As at 1st April, 2018	-	**2,17,694**	**100,11,015**	**2126,45,256**	**116,04,462**	**13,56,278**	**49,11,151**	**151,64,413**	**73,39,195**	-	**2632,49,464**
Charge for the year	-	14,396	8,87,310	108,59,549	7,70,382	76,226	7,05,601	27,56,801	6,50,127	-	167,20,392
Sales/Adj.	-	-	-	12,44,277	19,71,794	-	-	-	-	-	32,16,071
As at 31st March, 2019	-	**2,32,090**	**108,98,325**	**2222,60,528**	**104,03,050**	**14,32,504**	**56,16,752**	**179,21,214**	**79,89,322**	-	**2767,53,786**
Charge for the year	-	14,396	9,80,623	106,71,601	3,35,069	69,016	9,69,223	26,43,164	7,85,826	13,649	164,82,568
Sales/Adj.	-	-	-	4,22,112	-	-	-	4,90,347	-	-	9,12,459
As at 31st March, 2020	-	**2,46,487**	**118,78,948**	**2325,10,017**	**107,38,118**	**15,01,520**	**65,85,975**	**200,74,031**	**87,75,149**	**13,649**	**2923,23,894**
Net Block											
As at 31st March, 2020	**108,75,060**	**87,84,586**	**227,77,964**	**460,44,513**	**46,21,538**	**1,39,931**	**27,99,705**	**109,37,641**	**11,85,058**	**5,41,851**	**1087,07,846**
As at 31st March, 2019	**108,75,060**	**87,98,983**	**218,92,321**	**544,10,322**	**49,56,606**	**2,01,871**	**32,06,552**	**135,80,805**	**14,87,135**	-	**1194,09,655**
B) Capital Work in Progress											
Cost as at 1st April, 2019											**7,98,246**
Additions											-
Deductions / Transfers											-
Cost as at 31st March, 2020											**7,98,246**

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2020	As at 31st March, 2019
2.02 Financial Assets (Non Current Investments)		
Non-Trade (Unquoted):-		
National Savings Certificate	10,000	10,000
	10,000	**10,000**
2.03 Financial Assets (Loans & Advances)		
(Unsecured, Considered Good)		
Security Deposits #	120,41,789	119,73,875
	120,41,789	**119,73,875**
2.03.1 # Includes Rs.20 Lakhs (PY Rs. 20 Lakhs) due from Directors.		
2.04 Financial Assets (Others)		
(Unsecured, Considered Good)		
Bank Deposits (having maturity more than 12 months) @	22,46,690	217,75,904
	22,46,690	**217,75,904**
2.04.1 @ - Includes Deposits of Rs. Nil (PY Rs. 114,00,000) against which working capital loan taken.		
2.05 Other Non Current Assets		
Prepaid expenses	9,40,351	6,15,204
	9,40,351	**6,15,204**
2.06 Inventories		
a) Raw materials	37,10,300	17,62,008
b) Finished/Purchased goods	20,46,856	18,82,921
c) Stores & Spares	48,92,993	42,51,286
d) Sundry Materials	1,30,272	1,19,578
	107,80,422	**80,15,793**
2.06.1 Method of valuation of inventories - Refer Note 1(x) in Significant Accounting policies		
2.07 Trade Receivables		
i) Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered Good	-	-
- Unsecured, Considered Doubtful	27,09,411	22,88,504
less: Provision for doubtful debts	(27,09,411)	(22,88,504)
	-	**-**
ii) Other Receivables		
Unsecured, Considered Good	500,65,420	493,12,041
	500,65,420	**493,12,041**
2.07.1 Trade Receivables are non interest bearing and are generally on terms of 0 - 30 days.		
2.08 Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts *	141,84,336	175,40,609
In Deposit Accounts (having maturity of less than 3 months)	2,600	2,600
ii) Cash On Hand	35,297	2,02,895
iii) Remittances	-	88,608
	142,22,234	**178,34,713**
2.08.1 * - Includes Debit balance of Rs. Nil in Cash Credit A/c (P.Y. Rs. 1,68,740)		

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2020	As at 31st March, 2019
2.09 Other Balances with Bank		
Balances with Bank		
(i) In Fixed Deposit Account (with maturity between 3 - 12 months) @	413,90,160	118,47,716
(ii) In Earmarked Unpaid Dividend A/c	1,06,902	82,280
	414,97,062	**119,29,996**

2.09.1 @ - Includes Deposits of Rs. 114,00,000 (PY Rs. Nil) against which working capital loan taken.

2.10 Other Current Financial Assets		
Interest receivable	3,89,828	2,66,824
	3,89,828	**2,66,824**
2.11 Current Tax Assets		
Advance Income Tax (Net of Provisions)	7,65,199	-
Income tax refund receivable	15,39,440	15,39,440
Income tax paid under appeal	1,01,320	1,01,320
	24,05,959	**16,40,760**
2.12 Other Current Assets		
Advances recoverable in cash or in kind or for value to be received	26,78,528	9,69,220
Prepaid Expenses	8,44,630	8,37,729
	35,23,158	**18,06,949**

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THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

2.13 Share Capital

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Capital:		
30,000 (PY: 30,000) Equity shares of Rs.100/- each	30,00,000	30,00,000
20,000 (PY: 20,000) Unclassified shares of Rs.100/- each	20,00,000	20,00,000
Total	**50,00,000**	**50,00,000**
Issued, Subscribed and fully paid:		
22,500 (PY: 22,500) Equity shares of Rs.100/- each	**22,50,000**	**22,50,000**

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,500	22,50,000	22,500	22,50,000
Issued during the year	-	-	-	-
At the end of the year	22,500	22,50,000	22,500	22,50,000
Change in the number of Equity Shares Outstanding	-	-	-	-

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

	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		%	No. of shares	%	No. of shares
1	Smt.Yogita Gautam Pai Kakode	24.69%	5,556	24.69%	5,556
2	Shri Gautam Pai Kakode	24.69%	5,555	24.67%	5,550
3	Life Insurance Corpn. of India	6.67%	1,500	6.67%	1,500
4	M/s.Food & Beverages (India) Pvt.Ltd.	14.67%	3,300	14.67%	3,300

Terms/ Rights attached to Equity shares

2.13.1 The Company has only one class of shares referred to as equity shares with a face value of Rs. 100/- each. Each holder of equity share is entitled to one vote per share

2.13.2 The dividend proposed/ declared by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

2.13.3 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.13.4 During any of the last five years ending 31 Mar 2020-

a) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash

b) No bonus shares were allotted.

c) No shares were bought back.

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

		As at 31st March, 2020	As at 31st March, 2019
2.14	**Other Equity**		
	General Reserves		
	Opening Balance	320,72,589	300,72,589
	Add :- Amount Transferred from Surplus	20,00,000	20,00,000
	Closing Balance	**340,72,589**	**320,72,589**
	Retained Earnings		
	Opening Balance	1204,57,636	1185,98,584
	Add:-Profit for the year	67,61,791	46,39,486
	Other Comprehensive Income/ (expense) arising from re-measurement of Defined Benefit Obligation	(10,83,974)	(1,02,310)
	Amount available for appropriation	**1261,35,453**	**1231,35,760**
	Less:- Appropriation		
	-Dividend on Equity Shares	9,00,000	5,62,500
	-Tax on dividend	1,84,998	1,15,624
	-Transfer to General Reserve	20,00,000	20,00,000
	Closing Balance	**1230,50,455**	**1204,57,636**
	Total Other Equity	**1571,23,044**	**1525,30,225**

2.14.1 The Board of Directors have proposed an equity dividend of Rs. 40/- (PY Rs.40/-) per share for the financial year ending 31.03.2020 at their meeting held on 26th June 2020, which is subject to approval by the share holders in the ensuing Annual General Meeting. In accordance with IND-AS, dividends to Shareholders are recognised as a liability in the period in which the obligation to pay is established. Total Proposed Dividend Rs.9,00,000.

2.15	**Financial Liabilities (Long-term borrowings)**		
	Secured		
	Term Loans from Banks	8,97,466	48,37,036
		8,97,466	**48,37,036**

2.15.1 Terms and other Details pertaining to Long Term Borrowings

Int %	Other Terms	Maturity	As at 31st March, 2020	As at 31st March, 2019
8.80%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 31,707/-	February, 2021	-	3,34,919
8.80%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 31,707/-	February, 2021	-	3,34,919
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 66,291/-	August, 2021	3,24,127	6,67,612
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 84,450/-	October, 2021	5,73,339	8,33,483
8.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 2,35,023/-	May, 2020	-	26,66,104

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

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2020	As at 31st March, 2019
2.16 Long Term Provisions		
Provision for employee benefits [Refer Note 2.36]		
- Compensated Absences	24,84,665	21,46,265
- Gratuity	40,14,315	30,26,848
Total	**64,98,980**	**51,73,113**
2.17 Deferred Tax Liabilities-(Net)		
A. Deferred Tax Liability		
-On excess of net book value over Income tax written down value of Property, Plant & Equipment	93,09,700	103,66,400
B. Deferred Tax Assets		
- On Provisions	(33,800)	(5,95,000)
- On other disallowances	(6,81,900)	(1,22,000)
Deferred Tax Liabilities (Net) (A-B)	**85,94,000**	**96,49,400**
2.17.1 Reconciliation of Deferred Tax Liabilities (Net)		
Opening Balance	96,49,400	71,31,600
Tax (income)/expense during the year recognised in profit or loss for current year	(10,55,400)	25,17,800
Closing Balance	85,94,000	96,49,400

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

2.18 Financial Liabilities (Short-term borrowings)

Working capital loan from Bank - Secured	1,880	12,88,296
	1,880	**12,88,296**

2.18.1 Working Capital Loan is secured by lien on Bank Deposits. It bears an interest rate of 6.50% p.a. and is repayable on demand.

2.19 Financial Liabilities (Trade Payables)

(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	132,26,032	106,34,171
	132,26,032	**106,34,171**

2.19.1 Trade Payables are non-interest bearing and are normally settled on 30-60 day terms. For explanations on the Company's credit risk management processes, Refer Note No. 2.39

2.19.2 The Company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. The details of suppliers falling under the said Act are furnished to the extent the information is available. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2020	As at 31st March, 2019
2.19.3 Detailed Disclosure under MSMED Act		
(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	-	-
(ii) Interest due on above.	-	-
Total of (i) & (ii)	-	-
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
(iv) Amount paid to the suppliers beyond the respective due date.	-	-
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
2.20 Other Current Financial Liabilities		
Deposits against Gas Cylinders	487,56,235	467,66,819
Current maturities of long term borrowings	27,78,208	36,75,674
Unclaimed Dividend *	1,07,138	82,280
Deposits	77,000	47,000
	517,18,581	**505,71,773**
* No amount is due for payment to Investor Education and Protection Fund.		
2.21 Other Current Liabilities		
-Statutory Dues	12,42,750	19,22,090
-Payable to Employees (Bonus)	48,10,893	51,16,500
-Advance from Customers	6,57,599	4,26,033
-Others	2,47,557	4,68,393
	69,58,799	**79,33,015**
2.22 Short-term Provisions		
a) Provision for employee benefits [Refer Note 2.36]		
- Gratuity	-	-
- Compensated absences	3,60,222	4,67,928
b) Provision for Income Tax	-	55,000
	3,60,222	**5,22,928**

THE SOUTHERN GAS LIMITED

2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2020

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
2.23 Revenue From Operations *(Net of GST)*		
Sale of Products		
Gross Sales	2641,20,594	2788,06,473
Other operating Revenue		
Cylinder handling and maintenance charges	240,05,920	185,61,486
Freight charges recovery	108,53,344	102,66,423
Penalty for delayed return of cylinders	35,00,863	39,36,494
Total	**3024,80,720**	**3115,70,877**
2.23.1 Details of Sale of Products (Disaggregation of Revenue) *(Net of GST)*		
Finished goods		
Oxygen	646,03,698	782,14,402
Dissolved Acetylene	129,11,961	145,76,252
Liquid Nitrogen	26,46,837	23,81,003
Nitrogen	165,01,503	146,71,135
Liquid Oxygen	214,69,096	238,65,673
Medical Oxygen	716,39,883	682,97,680
Compressed Air	2,85,411	3,43,166
Carbon Dioxide	49,89,066	61,59,115
Argon	181,69,924	222,45,087
Nitrous Oxide	449,39,741	400,36,430
Calcium Carbide	-	2,35,000
Hydrogen	3,92,535	6,20,312
ACM	30,58,277	41,48,466
ANM	-	33,760
AHM	1,96,630	41,930
AOM	1,750	-
Helium	3,82,375	6,60,886
Lime Sludge	71,529	60,789
Other Items	18,60,377	22,15,387
Total	**2641,20,594**	**2788,06,473**
2.24 Other Income		
Interest	30,92,663	24,95,363
Gain on Foreign Exchange Fluctuation (net)	19,371	3,374
Profit on sale of fixed assets (net)	8,44,307	31,01,576
Provision for doubtful debts w/back	-	12,20,846
Misc credit balances w/back	37,343	-
Miscellaneous Income	2,358	92,224
Total	**39,96,043**	**69,13,383**
2.25 Cost of Materials consumed		
Opening Stock	17,62,008	14,04,159
Purchases	968,53,851	970,62,015
	986,15,859	**984,66,174**
Less: Closing Stock	38,40,572	17,62,008
Cost of Materials consumed	**947,75,287**	**967,04,166**
Imported Materials consumed included in the above figure	32,56,750	24,03,175

THE SOUTHERN GAS LIMITED

2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2020

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
2.25.1 Details of major raw material and components consumed		
Liquid Oxygen	477,93,102	517,36,071
Calcium Carbide	48,03,005	37,01,869
Ammonium Nitrate	312,38,032	263,47,913
Argon	104,53,907	143,51,212
Others	4,87,240	5,67,101
	947,75,287	**967,04,166**
2.26 Purchase of Traded goods		
Oxygen	3,65,400	6,67,892
Liquid oxygen	102,50,244	114,22,774
Dissolved Acetylene	44,36,984	70,91,723
Helium	4,08,863	4,30,113
Nitrogen & Dry Nitrogen	5,96,063	5,36,107
Liquid Nitrogen	3,61,968	3,21,377
Mixture Gas	38,302	3,200
Nitrous Oxide	-	26,92,990
Medical Oxygen	24,190	1,18,710
Argon	16,25,713	20,25,495
Carbon Di-Oxide	23,52,753	31,05,254
Hydrogen	1,81,062	2,77,368
Freon gas	-	2,02,581
ACM/AHM	2,45,196	1,54,598
Compressed Air/cylinder	1,34,140	14,762
Others	1,86,296	16,983
	212,07,173	**290,81,926**
2.27 (Increase)/Decrease in Inventories of finished goods, work in progress and stock in trade		
Opening Stock	18,82,921	16,79,162
Closing Stock of finished goods	20,46,856	18,82,921
(Increase)/Decrease	**(1,63,935)**	**(2,03,759)**
2.27.1 Detail of Opening Stock of finished goods		
Oxygen	4,61,200	2,90,081
Dissolved Acetylene	3,27,443	5,37,853
Nitrogen	1,18,088	1,67,321
Argon	1,54,834	1,15,577
Nitrous Oxide	6,65,461	4,12,455
Others	1,55,896	1,55,875
Total	**18,82,921**	**16,79,162**
2.27.2 Detail of Closing Stock of finished goods		
Oxygen	4,24,647	4,61,200
Dissolved Acetylene	3,37,952	3,27,443
Nitrogen	1,76,964	1,18,088
Argon	1,66,952	1,54,834
Nitrous Oxide	6,39,161	6,65,461
Others	3,01,180	1,55,896
Total	**20,46,856**	**18,82,921**

THE SOUTHERN GAS LIMITED

2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2020

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
2.28 Employee Benefits Expense		
Salaries & Wages	586,10,498	549,74,869
Contributions to Provident and other funds	44,22,379	40,69,008
Workmen and Staff Welfare Expenses	38,61,150	42,30,641
	668,94,027	**632,74,518**
2.29 Finance Cost		
Interest expense	5,87,235	8,29,062
	5,87,235	**8,29,062**
2.30 Other Expenses		
Power, Fuel & Water	455,32,500	456,35,339
Consumption of Stores, Spares & Consumables	41,76,465	49,15,487
Rent	32,91,539	32,35,869
Repairs and Maintenance		
a) Buildings	23,53,533	8,51,831
b) Plant & Machinery	25,41,608	25,35,155
c) Vehicles (including vehicle running expenses)	165,17,133	174,47,256
d) Others	25,17,307	18,95,109
Insurance	7,48,786	8,87,496
Rates & Taxes	17,18,939	20,82,912
Traveling Expenses	44,51,033	31,44,735
Donations	1,88,051	2,16,002
Printing, Stationery, Postage &Telephone	15,30,098	16,83,623
Auditors Remuneration- (see note below)	4,72,000	4,69,500
Advertisement	10,36,768	12,17,521
Legal & Other Professional charges	19,46,319	16,56,806
Security Charges	35,69,855	36,38,466
Bank charges	1,02,655	2,15,386
Directors' sitting fees	60,000	57,000
Freight & Carriage (Net)	18,79,139	33,93,836
Bad debts written off	5,25,236	35,76,350
Provision for Doubtful Debts	4,20,907	-
Prior Period Expenses (Net)	27,730	-
Miscellaneous expenses	19,35,170	21,84,190
	975,42,771	**1009,39,869**
Note 2.30.1		
Auditor's Remuneration:-		
a. Statutory Audit fees	3,83,500	3,81,000
b. Tax matters - (including tax audit)	88,500	88,500
	4,72,000	**4,69,500**

THE SOUTHERN GAS LIMITED

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

(Amount in Rupees)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
2.31 Earnings per share		
Total Comprehensive Income for the period	56,77,817	45,37,176
Weighted average number of Equity shares of Rs.100 each	22,500	22,500
Earnings per Share (Basic & Diluted)	**252.35**	**201.65**

2.32 In the opinion of the Directors

a) Current Assets, Loans and Advances have at least the values at which they are stated in the Balance Sheet, when realized in the ordinary course of business.

b) All known liabilities other than contingent liabilities are provided for.

c) The company has an internal control system which is adequate considering the size and operation of the company. The operations and activities of the company is supervised by the directors and senior management on a day-to-day basis. The executives of the company are involved in the approval and processing of payments and also in the year-end financial reporting process.
In view of the above, we have implemented an information systems consisting of off-the-shelf packaged software which are extensively used with very high level of acceptance in the industry without much customization and modification. The identification of risks and controls is not a separate evaluation but an integral part of the processes and procedures followed by the company which includes internal audit being carried out by an external professional firm on a periodical basis.
The operation of the above controls are constantly monitored by the senior management including directors and these were found to be effectively operating during the year and at the year end.

2.33 Contingent liabilities not provided for:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(1) Claims against the Company not acknowledged as debts:		
a. Income Tax (See Note 2.33.2(i))	1,01,320	1,01,320
b. Goods and Service Tax (See Note 2.33.2.(ii))	10,10,466	-
(2) Guarantees issued by the bank on behalf of the Company	30,34,238	26,92,737

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

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

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

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

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

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

Note 2.36

Disclosures required under IND AS 19

A) Defined Contribution Plans

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employer's contribution to Provident Fund	29,54,206	24,64,840
Employer's contribution to Employee's State Insurance	6,11,497	6,93,940

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

i	Actuarial Assumptions	Gratuity		Compensated Absences	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Discount Rate (per annum)	6.70%	7.70%	6.60%	7.60%
	Salary escalation rate*	5.00%	5.00%	5.00%	5.00%
	Expected return on planned assets	6.70%	7.70%	-	-
	Mortality rate	Indian Assured Lives Mortality [1994-96] Ultimate		Indian Assured Lives Mortality [1994-96] Ultimate	
	Attrition rate	1.00%	1.00%	Modified q(x) values under above Mortality Table	

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

ii	Reconciliation of present value of obligations	Gratuity		Compensated Absences	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	-Present value of obligation at beginning of the year	118,92,492	113,75,697	26,14,193	16,54,118
	-Current Service Cost	6,97,795	6,56,021	11,98,182	9,68,592
	-Interest Cost	8,65,176	8,43,909	2,38,338	2,09,697
	-Actuarial (gain)/ loss	10,83,974	7,54,933	(2,00,733)	1,42,125
	-Benefits Paid	(29,67,055)	(17,38,068)	(10,05,093)	(3,60,339)
	Present value of obligation at the end of the year	**115,72,382**	**118,92,492**	**28,44,887**	**26,14,193**

iii	Reconciliation of fair value of plan assets- Gratuity	As at 31st March, 2020	As at 31st March, 2019
	Fair value of plan assets at the beginning of the year	88,65,644	78,58,090
	-Expected return on plan assets	8,45,510	6,43,360
	-Administration Expenses	(8,368)	(16,966)
	-Actual Return on Plan Assets over expected Interest	(2,14,374)	6,52,623
	-Contributions to the fund	12,62,658	14,66,605
	Benefits paid from the fund	(31,93,003)	(17,38,068)
	Fair value of plan assets at the end of the year	**75,58,067**	**88,65,644**

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

iv	Description of Plan Assets	As at 31st March, 2020	As at 31st March, 2019
	Insurer managed funds	75,58,067	98,73,198

v	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	As at 31st March, 2020	As at 31st March, 2019
	Present value of obligations at the end of the year	115,72,382	124,09,287
	Fair value of plan assets at end of the year	75,58,067	98,73,198
	Funded Status	(40,14,315)	(25,36,089)
	Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	**40,14,315**	**25,36,089**

vi	Expenses recognised in the Statement of Profit & Loss (including OCI)	Gratuity		Compensated Absenses	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Current Service Cost	6,97,795	6,56,021	11,98,182	9,68,592
	Administration Expenses	8,368	16,966	-	-
	Net Interest Cost	19,666	2,00,549	2,38,338	2,09,697
	Actuarial (gain) / loss recognised in the period	10,83,974	1,02,310	(2,00,733)	1,42,125
	Expenses recognised in the Statement of Profit & Loss (including OCI)	**18,09,803**	**9,75,846**	**12,35,787**	**13,20,414**

vii Risk Analysis of Defined Benefit Obligations

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

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

1 **Discount Rate**

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

2 **Salary Increases**

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

3 **Attrition Rates**

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

4 **Mortality**

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

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

5 **Regulatory Risk**

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

viii Sensitivity Analysis

Impact of:	Gratuity		Compensated Absenses	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Discount rate up 1.0% absolute	(8,01,000)	(6,73,000)	(2,30,000)	(1,91,000)
Discount rate down 1.0% absolute	9,20,000	7,65,000	2,69,000	2,21,000
Salary escalation up 1.0% absolute	8,92,000	7,45,000	2,89,000	2,41,000
Salary escalation down 1.0% absolute	(7,84,000)	(6,63,000)	(2,50,000)	(2,11,000)
Attrition rates up 10.0% absolute	11,000	16,000	3,000	5,000
Attrition rates down 10.0% absolute	(11,000)	(15,000)	(4,000)	(4,000)

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

ix Maturity Profile

Impact of:	Gratuity	Compensated Absenses
	As at 31st March, 2020	As at 31st March, 2020
Year 1	9,70,000	3,60,000
Year 2	11,87,000	1,49,000
Year 3	13,02,000	1,95,000
Year 4	9,50,000	1,50,000
Year 5	10,63,000	1,26,000
Years 6 - 10	68,47,000	19,65,000
Years 11 - 15	22,74,000	5,28,000
Year 15 +	70,87,000	25,57,000

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

THE SOUTHERN GAS LIMITED

2 Notes forming part of financial statements as at 31st March, 2020

(Amount in Rupees)

2.37 Disclosure of transactions with related parties:

A. Related parties and nature of relationship

i Key Management Personnel

1. Gautam V. Pai Kakode	-Managing Director
2. Yogita G Pai Kakode	-Director
3. Ranganath N Prabhu	-Independent Director (upto 11/02/2019)
4. Sripad P. Patnekar	-Independent Director
5. Jayendra V Gaitonde	-Independent Director (upto 10/08/2018)
6. Motilal S Keny	-Non Executive Director
7. Anbunathan Murugain	-Additional Director (Independent)
8. Purushottam Mantri	-Independent Director (w.e.f 11/02/2019)
9. Geeta Prabhudesai	-Chief Financial Officer (upto 28/01/2019)
10. Rajeev Nagarsenkar	-Chief Financial Officer (upto 30/09/2019)
11. Aniket A. Karmali	-Whole time Company Secretery upto (10/08/2018)
12. Gourish R. Arolkar	-Whole time Company Secretery w.e.f (12/11/2018) upto 18/01/2020
13. Shashidhar Haridas	-Chief Financial Officer (w.e.f 08/11/2019) -Compliance Officer (w.e.f 18/01/2020)

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

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

B. Description of Transactions

Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		-Enterprises where significant influence exists	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	29,120
Bangalore Oxygen Company(P) Ltd	-	-	-	-	64,91,907	112,89,895
Sale of goods						
Malabar Oxygen Company(P) Ltd	-	-	-	-	67,10,301	78,20,083
Bangalore Oxygen Company(P) Ltd	-	-	-	-	3,40,030	3,11,523
Payment of Freight/other expenses						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	4,02,344	39,867
Purchase of Fixed Assets						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	31,68,300
Bangalore Oxygen Company(P) Ltd	-	-	-	-	-	-
Penalty Charges for delayed return of Cylinders						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	-	1,54,903
Receipt of Freight/other receipts						
Malabar Oxygen Company(P) Ltd					4,698	13,20,844
Bangalore Oxygen Company(P) Ltd					84,900	2,20,200

THE SOUTHERN GAS LIMITED

2 Notes forming part of financial statements as at 31st March, 2020

(Amount in Rupees)

Remuneration/ Sitting Fees						
1. Gautam V. Pai Kakode	60,21,600	60,21,600				
2. Yogita G Pai Kakode	12,000	12,000				
3. Ranganath N Prabhu	-	3,000				
4. Sripad P. Patnekar	12,000	12,000				
5. Jayendra V Gaitonde	-	3,000				
6. Motilal S Keny	12,000	12,000				
7. Anbunathan Murugain	12,000	12,000				
8. Purushottam Mantri	12,000	3,000				
9. Geeta Prabhudesai	-	2,92,884				
10. Rajeev Nagarsenkar	2,90,492	61,967				
11. Aniket A. Karmali	-	1,21,529				
12. Gourish R. Arolkar	2,49,111	1,76,753				
13. Shashidhar Haridas	2,93,797	-				
Payment of rent						
1. Gautam V. Pai Kakode	6,36,000	11,82,000				
2. Yogita G Pai Kakode	15,96,000	10,50,000	-	-	-	-
Donation (Madhav Gopal Poy Foundation Trust)	-	-	1,75,000	1,00,000	-	-

C. Outstanding balance as on 31.3.2020

	Key Management Personnel		**Relatives of Key Management Personnel**		**Enterprises where significant influence exists**	
	For the year ended 31st March, 2020	**For the year ended 31st March, 2019**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Receivables	Nil	Nil	Nil	Nil	NIL	NIL
Payables	Nil	Nil	Nil	Nil	NIL	NIL
Security Deposits	20,00,000	20,00,000	Nil	Nil	Nil	Nil

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

2.38 Capital Management

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

2.39 Financial Risk Management

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

2.39.1 Market Risk

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

2.39.2 Credit Risk Management

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

2.39.3 Liquidity Risk Management

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

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

	As at 31st March, 2020	As at 31st March, 2019
(i) Less than 1 year		
Short Term Borrowings	1,880	12,88,296
Trade Payables	132,26,032	106,34,171
Other Financial Liabilities	517,18,581	505,71,773
	649,46,493	**624,94,240**
(ii) 1 to 5 years		
Long Term Borrowings	8,97,466	48,37,036
	8,97,466	**48,37,036**
(iii) > 5 years	**-**	**-**

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

Fair Value Hierarchy

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

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

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

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

(Amount in Rupees)

	As at 31st March, 2020	As at 31st March, 2019
2.39.4 Financing Facilities		
Credit Facility secured against Deposits, Payable on demand		
Amount Used	1,880	12,88,296
Amount unused	99,98,120	87,11,704
	100,00,000	**100,00,000**
2.40 Categories of financial instruments		
Financial Assets		
Measured at Amortised Cost		
a) Cash & Cash Equivalents	142,22,234	178,34,713
b) Bank Balances other than (a) above	414,97,062	119,29,996
c) Trade Receivables	500,65,420	493,12,041
d) Loans and Advances	120,41,789	119,73,875
e) Other Financial Assets at amortised cost	3,99,828	2,76,824
	1182,26,333	**913,27,449**
Financial Liabilities		
a) Borrowings	8,99,346	61,25,332
b) Trade Payables	132,26,032	106,34,171
c) Other Financial Liabilities at amortised cost	517,18,581	505,71,773
	658,43,959	**673,31,276**

The management assessed that fair values of cash and cash equivalents,other bank balances, trade receivables, deposits with banks and trade payables approximate their carrying amounts largely due to the short-term nature of these instruments.

2.41 Reconciliation of Income Tax Expense		
Particulars		
Accounting Profit / (Loss) before Tax	91,51,639	109,34,327
Other Comprehensive Income/ (Loss)	(10,83,974)	(1,02,310)
Total Comprehensive Income	**80,67,665**	**108,32,017**
Tax Rate	25.168%	26.00%
Tax as per Accounting Profit	**20,30,470**	**28,16,324**
Tax Effect on :		
(i) Disallowed Expenditure	3,45,809	82,042
(ii) Expenditure allowed on payment basis	3,06,587	1,22,022
(iii) Depreciation allowable as per Income Tax Act, 1961 (net)	9,55,146	3,92,910
(iv) Accunting Profits not liable to Tax	(2,12,495)	(11,23,830)
(v) Others	(7,237)	27,282
Financial Cost on delayed payments	56,720	47,037
Current Tax	34,75,000	23,63,789
Earlier years	(29,752)	15,61,888
	34,45,248	**39,25,677**

THE SOUTHERN GAS LIMITED

2 Notes forming part of Financials

2.42 Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended from time to time.

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

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, trade receivables and other Advances recoverable in Cash or kind. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Hence, the management believes that there is no significant impact of COVID -19 on the financial statements of the Company for the year ended March 31, 2020. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.43 Resignation of Company Secretary

Pursuant to his resignation, Mr. Gourish Arolkar - Company Secretary of the Company, was relieved from the service of the Company effective 18th January, 2020. The Company is in the process of appointing a new Company Secretary which is currently constrained by the Covid 19 situation. The Board has appointed Mr. Shasidhar Haridas - CFO, as compliance officer of the Company, w.e.f 19th January, 2020 to look into compliance related matters and investor relations.

As per our report of even date attached

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

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

Place: Margao, Goa
Date: 26/06/2020

For and on behalf of the Board of Directors

Gautam V. Pai Kakode
Managing Director
DIN :02395512

M.S. Keny
Director
DIN :06813111

Shashidhar Haridas
Chief Financial Officer & Compliance Officer

Place: Margao, Goa
Date: 26/06/2020

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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