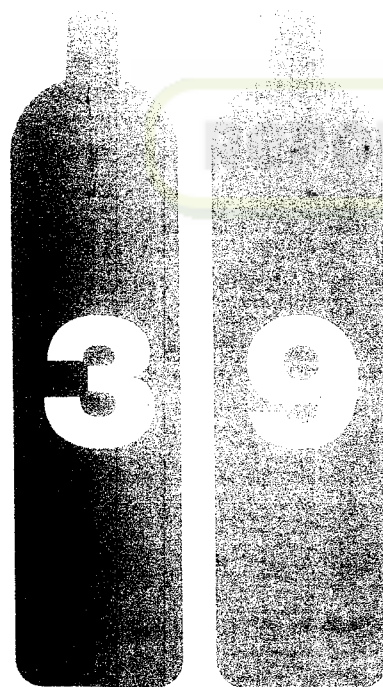


the southern  
gas limited



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# ANNUAL REPORT & ACCOUNTS 2002 - 03



## **THE SOUTHERN GAS LIMITED**

### **DIRECTORS**

Shri GOVIND G. POY RAITURCAR - CHAIRMAN  
Shri MADHAV G. POY RAITURCAR  
Shri ATCHUT G. POY RAITURCAR  
Shri LALIT P. MEHTA  
Shri JAYENDRA V. GAITONDE  
Shri DARA M. TAVADIA  
Shri SRIPAD P. PATNEKAR  
Shri RANGANATH N. PRABHU

### **BANKERS**

CORPORATION BANK  
UTI BANK  
DENA BANK

### **AUDITORS**

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

### **LEGAL ADVISORS**

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

### **REGISTERED & HEAD OFFICE**

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

### **FACTORIES AT**

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



## NOTICE

NOTICE is hereby given that the THIRTY NINTH Annual General Meeting of the Shareholders of THE SOUTHERN GAS LIMITED will be held on Thursday, the 25th September, 2003 at 10.30 a.m. at Govind Poy House, Rua Do Padre Miranda, Margao - 403 601, Goa to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 and the Profit and Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Govind G. Poy Raiturcar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Lalit P. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Madhav G. Poy Raiturcar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED that the Articles of Association of the Company be and is hereby amended as under:

- a) A new Article 19A be inserted after the existing Article 19 reading as under:  
 'Buy back of fully paid-up Equity Shares and other Specified Securities.'  
 "Subject to the provisions of section 77A and other applicable provisions of the Act and the provisions of any rules, regulations or guidelines made or issued thereunder, the Company may, by a special resolution passed at the general meeting, authorise the purchase of its own fully paid-up Equity Shares or other Specified Securities."
- b) Article 117 shall be replaced with a new Article reading as under:  
 "A Director shall not be required to hold any qualification shares."

*By Order of the Board of Directors*

Margao,  
18th August, 2003

**Govind G. Poy Raiturcar**  
Chairman

**NOTE:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.
- b) THE RELEVANT EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, IN REGARD TO THE SPECIAL BUSINESS ENTERED UNDER ITEM NO. 7 IS ANNEXED HEREWITH.
- c) THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 23.09.2003 TO 25.09.2003 (BOTH DAYS INCLUSIVE). TO DETERMINE THE NAMES OF MEMBERS ELIGIBLE FOR PAYMENT OF DIVIDEND ON EQUITY SHARES, IF APPROVED AT THE MEETING.
- d) PURSUANT TO THE PROVISIONS OF SECTION 205A(5) OF THE COMPANIES ACT, 1956 DIVIDEND FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 1996 AND THEREAFTER WHICH REMAINS UNCLAIMED FOR A PERIOD OF 7 YEARS WILL BE TRANSFERRED BY THE COMPANY TO THE INVESTORS EDUCATION AND PROTECTION FUND (IEPF) ESTABLISHED BY THE CENTRAL GOVERNMENT PURSUANT TO SECTION 205C OF THE COMPANIES ACT, 1956. ON SUCH TRANSFER NO CLAIMS SHALL LIE AGAINST THE COMPANY OR THE FUND IN RESPECT OF INDIVIDUAL AMOUNTS WHICH WERE UNCLAIMED OR UNPAID FOR A PERIOD OF 7 YEARS AND TRANSFERRED TO THE FUND AND NO PAYMENT SHALL BE MADE IN RESPECT OF ANY SUCH CLAIM. MEMBERS WHO HAVE SO FAR NOT CLAIMED THEIR DIVIDEND FOR THE YEARS 1995-96 AND ONWARDS MAY THEREFORE DO SO BEFORE THE SAME IS TRANSFERRED TO THE INVESTORS EDUCATION AND PROTECTION FUND.

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE  
COMPANIES ACT, 1956.**

**Item No 7**

- a) With the passing of the Companies (Amendment) Act 1999, a company may buy its own fully paid-up Equity Shares and other Specified Securities upon the fulfillment of the provisions of section 77A of the Companies Act, 1956, and the rules, regulations or guidelines made or issued thereunder. In order to permit the Company to buy its own shares in view of the aforesaid amendment, it is proposed to insert the above Article.
- b) Article 117 of the Articles of Association of the Company currently provides for the holding by a Director, other than a Debenture Director, Mortgage Director or Special Director, of 50 Equity Shares in the Company of the nominal value of Rs. 5,000/-, registered in his own name or jointly with another as qualification shares. The amendment proposed seeks to eliminate the need for holding of qualification shares by a Director.

None of the Directors are concerned or interested in the amendment of Item No. 7(a). However all Directors are deemed to be interested in the amendment of Item No. 7(b). A copy of the Articles of Association of the Company is available for inspection by any member of the Company during normal working hours.



## DIRECTORS' REPORT

Your Directors are pleased to submit the 39th Annual Report together with the Audited Statement of Accounts for the year-ended 31.3.2003

FINANCIAL RESULTS	(Rs. in lakhs)	
For the year ended 31st March	2003	2002
Profit before Extra ordinary item, Depreciation & Taxation	68.69	89.02
Less : Depreciation	53.86	57.85
Profit before Extra ordinary item & Taxation	14.83	31.17
Less: Provision for Taxation - Current Tax	9.00	26.00
- Deferred Tax	1.64	(13.62)
Add: Excess provision for prior years	0.98	4.35
Profit before Extra ordinary item	5.17	23.14
Add: Extra Ordinary item (Surrender of tenancy rights)	98.95	--
Net Profit	104.12	23.14
Add: Balance brought forward from previous year	241.85	226.84
<b>Amount available for Appropriation</b>	<b>345.97</b>	<b>249.98</b>
<b>Appropriations</b>		
a) Transfer to General Reserves	11.00	2.50
b) Proposed Dividend	5.63	5.63
c) Corporate Dividend Tax	0.72	--
<b>Balance carried forward to next year</b>	<b>328.63</b>	<b>241.85</b>

## OPERATIONS

Your Company achieved a turnover of Rs. 727 lakhs as against Rs. 700 lakhs (both figures net of excise duty) for the previous year. The profit before taxation and extra ordinary item for the year was Rs. 14.83 lakhs as compared to a profit of Rs. 31.17 lakhs for the previous year. Your Company has, also earned during the year Rs. 98.95 lakhs on the surrender of tenancy rights of its office in Mumbai. This year also the operations were adversely affected by high cost of inputs and increased purchase prices of gases on the one hand and reduced selling prices and stiff competition from other gas manufacturers including multinational companies on the other hand.

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

Your Directors have also decided to consolidate and further expand the market share of your Company by setting up new units and depots in areas with good potential for growth in market share. As a further step in this direction an oxygen cylinder filling station has been setup at Trivandrum in Kerala, which commenced commercial operations during the year. Further performance of all existing depots and units are reviewed from time to time and efforts are on to increase their sales and profitability.

## DIVIDEND

Your Directors recommend a Dividend at the rate of Rs. 25/- per share to those shareholders whose names appear on the Register of Members as on 25th September 2003.



### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company continued to take steps to optimize energy consumption as in previous years. During the year there was no technology absorption. There was also no foreign exchange earnings or foreign exchange outgo during the year.

### **DIRECTORS RESPONSIBILITY STATEMENT**

As per the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures if any.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2002-03 and of the profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.

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

Your directors are pleased to annex a copy of the compliance report submitted by M/s Vijay & Company, Panjim a firm of Practicing Company Secretaries as per the provisions of the proviso to Sub-Section (1) of Section 383A of the Companies Act, 1956.

### **DIRECTORS**

Shri Govind G. Poy Raiturcar, Shri Lalit P. Mehta and Shri Madhav G. Poy Raiturcar, Directors of the Company, retire by rotation from the Board at the forth coming Annual General Meeting and being eligible they offer themselves for re-appointment.

### **AUDITORS**

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

### **EMPLOYEES**

The Company's relations with its employees continued to be cordial. Further long-term wage agreement with the employees of the Udyogmandal unit was signed during the year amicably. Your Directors wish to place on record their appreciation of hard and devoted work put in by all the officers and staff, which has contributed in no small measure to the overall performance of your Company.

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

*For and on behalf of the Board of Directors*

Margao,  
13th August, 2003

**Govind G. Poy Raiturcar**  
Chairman





## ANNEXURE TO DIRECTOR'S REPORT COMPLIANCE CERTIFICATE u/s 383A(1) of the Companies Act, 1956

To,  
**The Members,**  
**THE SOUTHERN GAS LIMITED**

We have examined the registers, records, books and papers of The Southern Gas Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 5 (Five) times on 23.05.2002, 13.07.2002, 10.08.2002, 13.12.2002 and 14.02.2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 11.09.2002 to 18.09.2002 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2002 was held on 18.09.2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year, after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to Section 314 of the Act whenever applicable.
12. The Company had not issued any duplicate share certificates during the financial year.
13. The Company has:
  - (i) Not allotted / transferred / transmitted securities during the financial year
  - (ii) Deposited the amount of dividend declared including interim dividend in two separate bank accounts on 21.09.2002 and 23.09.2002, which is within 5 days from the date of declaration of such dividend.
  - (iii) Paid / posted Demand Drafts / Cheques towards dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividends has been transferred to Unpaid Dividend Account of the Company with Dena Bank, Margao, Goa and UTI Bank, Margao, Goa on 25.10.2002
  - (iv) No amount lying unpaid in the Books of Accounts with respect to Dividend, refund of application money, matured deposits, matured debentures and the interest accrued thereon for a period of seven years.
  - (v) Duly complied with the requirements of Section 217 of the Act.



14. The Board of Directors of the Company is duly constituted and the appointment of Directors, has been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A & 58AA during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2003.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny and complied with provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has altered its Articles of Association after obtaining approval of Members in the Annual General Meeting held on 18.09.2002 and the amendments to the Articles of Association have been duly registered with the Registrar of Companies.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**For VIJAY & CO.  
COMPANY SECRETARIES**

**(VIJAY S. PARAB)  
PARTNER  
C. P. 231**

August 1, 2003  
Panaji, Goa