



THE SOUTHERN GAS LIMITED

DIRECTORS

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

BANKERS

CORPORATION BANK
AXIS BANK LTD

AUDITORS

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

LEGAL ADVISORS

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

REGISTERED OFFICE

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

UNITS AT

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



NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Shareholders of ***THE SOUTHERN GAS LIMITED*** will be held on Friday, 30th September, 2011 at 10.30 a.m. at the Registered Office of the Company located at Govind Poy House, Rua do Padre Miranda, Margao-403 601, Goa to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Sripad P. Patnekar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dara M. Tavadia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 read with Articles 154 and 163 of the Articles of Association of the Company. Mr. M.G.Poy Raiturcar, a Director of the Company be and is hereby re-appointed as Managing Director with effect from 1st October, 2011, for a period of Three years, upon the following terms and conditions as recommended by the resolution passed by the Remuneration Committee of the Board.



1. SALARY:

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

2. PERQUISITES & ALLOWANCES :

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

Company will contribute to Provident, Superannuation and Gratuity funds on account of Mr. M. G. Poy Raiturcar 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. M. G. Poy Raiturcar will be entitled to leave according to Company's Leave Rules applicable to its Managing and Wholetime Director.

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

3. Minimum Remuneration :

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

4. The company will enter into an agreement with Mr. M. G. Poy Raiturcar, as the Managing Director which will contain, inter-alia, all terms and conditions of his appointment with a provision that the agreement can be terminated by either party by giving a notice of atleast six months in writing, unless waived by the parties with mutual consent.

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

Director

Dated:12th August,2011



Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to the annual report.
2. The relevant explanatory statement under Section 173(2) of the Companies Act, 1956, in regard to the special business entered under Item No.6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 27th September, 2011 to Friday 30th September, 2011 (both days inclusive), to determine the names of members eligible for payment of dividend on equity shares, that may be declared at the meeting.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 and thereafter which remains unclaimed for a period of seven years will be transferred by the Company to the Investors Education and Protection Fund established by the Central Government pursuant to section 205C of the Companies Act, 1956. On such transfer no claims shall lie against the Company or the Fund in respect of individual amounts which were unclaimed or unpaid for a period of seven years and transferred to the Fund and no payment shall be made in respect of any such claim. Members who have so far not claimed their dividend for the years 2003-2004 and onwards may therefore do so before the same is transferred to the Investors Education and Protection Fund.



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

Item No.6

Mr. M.G. Poy Raiturcar, was appointed as Managing Director with effect from 1st October,2008 for a period of three years. The Board of Directors at its meeting held on 27th May,2011, considering the progress achieved by the company during the period of his leadership as Managing Director, it was proposed to reappoint him as the Managing Director of the Company and the subject was referred to the Remuneration Committee.

At the meeting of the Remuneration Committee of the Board, held on 12th August,2011, the remuneration payable to Mr. M.G. Poy Raiturcar was reviewed and a fresh appointment is proposed to be made as Managing Director with effect from 1st October,2011 for a period of three years, with a revision in his remuneration package as set out in the Notice. The remuneration falls under Part II, Section II(B) of Schedule XIII of the Companies Act, 1956 and a special resolution is proposed to be passed for payment of remuneration for a period not exceeding three years. Moreover, the appointee being above 70 years of age (the date of birth being 21.8.1935), the appointment shall also require special resolution under Clause (c) of Part I of Schedule XIII of the said Act.

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

The information required under the said Clause is given hereunder:

1. General Information :

Nature of Industry-The Company is engaged in the manufacturing of Oxygen, Dissolved Acetyline, Nitrogen & Nitrous Oxide Gas and the Company is in operation for the last 46 years. There is no foreign collaboration or export performance.

2. Information about the appointee :

Mr. M.G. Poy Raiturcar has been associated with the Company as Director for the last over 39 years. He has also been in charge of operations of other Companies in the Group. He was appointed as Managing Director with effect from 1st October 2008 and the term expires on 30th September,2011. The remuneration now proposed has



been approved by the remuneration committee and is comparable with the Industry.

3. Other Information:

The Company has made steady progress and has been paying dividend every year for last over 16 years.

4. Disclosures:

A copy of the contract entered into with Mr. M.G. Poy Raiturcar as Managing Director is available for inspection on any working day during office hours at the Registered Office of the company.

Mr. M.G. Poy Raiturcar, Managing Director of the Company and his relative Mr. Gautam Pai Cacode, Wholetime Director may be deemed to be interested in the said resolution. No other Director is concerned or interested in the said resolution.

This may also be treated as disclosure under Section 302 of the Companies Act, 1956.

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

Director

Dated: 12th August, 2011



DIRECTORS' REPORT

Your Directors are pleased to submit the 47th Annual Report together with the Audited Statement of Accounts for the year-ended 31st March 2011

FINANCIAL RESULTS

(Rs. in lakhs)

For the year ended 31 st March	2011	2010
Profit before Depreciation & Taxation	338.28	302.29
Less Depreciation	189.01	147.65
Profit before Taxation	149.27	154.64
Less: Provision for Taxation – Current Tax	29.75	44.65
– Deferred Tax	38.28	6.41
– Fringe Benefits Tax	--	--
– Wealth Tax	0.09	--
Add/Less: Income Tax for prior years	--	--
Net Profit for the year before extraordinary items	81.15	103.58
Add : Profit on Sale of Investment (Extraordinary Item)	--	--
Net Profit for the year	81.15	103.58
Add: Balance brought forward from previous year	875.25	799.55
Amount available for appropriation	956.40	903.13
Appropriations		
a) Transfer to General Reserves	20.00	20.00
b) Proposed Dividend	6.75	6.75
c) Corporate Dividend Tax	1.12	1.12
Balance carried forward to next year	928.53	875.26

OPERATIONS

Your Company achieved a turnover of Rs.1917 lakhs as against Rs.1558 lakhs (net of excise duty) for the previous year representing an increase of about 23.04%. The Company has recorded a net profit of Rs.81.15 lakhs for the year. It is proposed to transfer a sum of Rs.20.00 lakhs to the general reserves out of the current years profits.

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

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



Your Directors have also decided to consolidate and further expand the market share of your Company. Further performance of all existing depots and units are reviewed from time to time and efforts are on to increase their sales and profitability. Based on market survey conducted with active involvement of and support from Wholetime Director Shri Gautam Pai Cacode, your Directors have decided to go in for further expansion in the days ahead.

DIVIDEND

Your Directors recommend a Dividend at the rate of Rs.30/- per share to those shareholders whose names appear on the Register of Members as on 30th September 2011.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- ♦ In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any.
- ♦ The Directors have selected such Accounting Policies and applied them consistently and made 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 at the end of the financial year 2010-11 and of the profits of the Company for that period.
- ♦ The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- ♦ The Directors have prepared the Annual Accounts on a going concern basis.



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

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

DIRECTORS

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

AUDITORS

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

LISTING FEES

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

EMPLOYEES

The Company's relations with its employees continued to be cordial. Your Directors wish to place on record their appreciation of hard and devoted work put in by all the officers and staff, which has contributed to the overall performance of the 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,
30th May, 2011

Madhav G. Poy Raiturcar
Chairman & Managing Director



COMPLIANCE CERTIFICATE

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

Registration No. of the Company : L31200 GA1984 PLC 000562 (CIN)
Nominal Capital : Rs.50,00,000/-

To:

The Members

The Southern Gas Limited

Govind Poy House, 1st Floor

Rua do Padre Miranda

Margao,Goa-403 601.

I have examined the registers, records, books and papers of THE SOUTHERN GAS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March,2011(financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year. :W

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met five times respectively on 28.5.2010, 22.06.2010, 13.8.2010, 10.11.2010, and 10.2.2011 during the financial year ending 31.3.2011, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the minutes Book maintained for the purpose.