



FROM THE DESK OF CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholder,

The Southern Gas Ltd. Leading Manufacturers and Suppliers of Medical, Industrial and rare gases since 1963, is geared towards long term profitable growth and focuses on the expansion with forward looking products and services.

We act responsibly towards our business partners, shareholders, employees and society. As you all know that we have adopted the best safety norms and cater to the needs of a variety of industries. For almost 50 years our sole motto is profits through customer satisfaction.

I have great pleasure to present the Annual Report of the Company together with the Audited Statements of Account for the financial year ended 31st March,2012.

M.G. POY RAITURCAR
Chairman and Managing Director

Place : Margao Goa



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)**



Message from your Whole-time Director



GAUTAM PAI CACODE

Dear Shareholder,

A winning strategy takes time, thought and vision. Investing and winning on emerging market trends will accelerate the growth of our business.

Cost control will increase our market competitiveness. We therefore continue to find innovative ways to reduce cost without compromising on quality. Our main aim is to develop lasting relationship with our customers.

I strongly believe, having challenging but achievable goals and a strategy to reach them provides our team with focus and purpose for the year and the future. I remain confident in our long term outlook and promise to deliver on your expectations.

Your sincerely,

GAUTAM V. PAI CACODE
WHOLE-TIME DIRECTOR



NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Shareholders of **THE SOUTHERN GAS LIMITED** will be held on Thursday, 27th September 2012 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 :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 L.P. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J.V. Gaitonde who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

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

Dated : 29th May, 2012

Director

NOTICE

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 Register of Members and the Shares Transfer Books of the Company will remain closed from Monday 24th September 2012 to Thursday 27th September, 2012 (both days inclusive), to determine the names of members eligible for payment of dividend on equity shares, that may be declared at the meeting.
3. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 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 amount which were unclaimed or unpaid for a period of seven years and transferred to the Fund and on payment shall be made in respect of any such claim. Members who have so far not claimed their dividend for the years 2004-2005 and onwards may therefore do so before the same is transferred to the Investors Education and Protection Fund.



DIRECTORS' REPORT

Your Directors are pleased to submit the 48th Annual Report together with the Audited Statement of Accounts for the year-ended 31st March 2012

FINANCIAL RESULTS		(Rs. in lakhs)	
For the year ended 31st March		2012	2011
Profit before Depreciation & Taxation		309.88	338.28
Less Depreciation		197.36	189.01
Profit before Taxation		112.52	149.27
Less: Provision for Taxation	– Current Tax	64.85	29.75
	– Deferred Tax	(31.70)	38.28
	– Wealth Tax	0.13	0.09
Add/Less: Income Tax for prior years		--	--
Net Profit for the year before extraordinary items		79.24	81.15
Add : Profit on Sale of Investment (Extraordinary Item)		--	--
Net Profit for the year		79.24	81.15
Add: Balance brought forward from previous year		928.53	875.25
Amount available for appropriation		1007.7	956.40
Appropriations			
a) Transfer to General Reserves		20.00	20.00
b) Proposed Dividend		6.75	6.75
c) Corporate Dividend Tax		1.10	1.12
Balance carried forward to next year		979.92	928.53

OPERATIONS

Your Company achieved a turnover of Rs.2094 lakhs as against Rs.1917 lakhs (net of excise duty) for the previous year representing an increase of about 9.23%. The Company has recorded a net profit of Rs.79.24 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.

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.

However, there have been high cost of inputs, supply of liquid medical gas to all hospitals by multinational companies reduced selling prices and stiff competition from other small scale gas manufacturers including multinational companies during the year.

DIVIDEND

Your Directors recommend a Dividend at the rate of Rs.30/- per share to those shareholders whose names appear on the Register of Members as on 27th September, 2012.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO

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



DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.3.2012 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 L.P. Mehta and J.V. Gaitonde, Directors of the Company, retire by rotation from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment

AUDITORS

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

LISTING FEES

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

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,
29th May, 2012*

*Madhav G. Poy Raiturcar
Chairman & Managing Director*



Annexure to Directors' Report

COMPLIANCE CERTIFICATE

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

Registration No. of the Company : L31200 GA 1984 PLC 000562 (CIN)
Nominal Capital : Rs. 50, 00,000/-

To,
The Members,
THE SOUTHERN GAS LIMITED,
Govind Poy House,
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, 2012 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 27-5-2011, 12-8-2011, 11-11-2011 and 10-2-2012 during the financial year ending 31-3-2012, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 27-9-2011 to 30-9-2011 (both days inclusive) to determine the names of the members eligible for payment of dividend on equity shares that may be declared at the Annual General Meeting and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March 2011 was held on 30th September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.



9. The Company has duly complied with the provisions of sections 297 of the Act in respect of the contracts specified in that Section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved issue of duplicate share certificates during the financial year.
13. The Company has -
 - (i) delivered all the certificates on lodgement thereof for transfer / transmission of securities in accordance with the provisions of the Act
 - (ii) deposited the amount of dividend declared including interim dividend in a separate Bank Account within the period stipulated under the Act.
 - (iii) paid/posted demand drafts/cheques to all the members within 30 days from the date of declaration and that the unclaimed/unpaid dividends has been transferred to the Unpaid Dividend Account with Axis Bank Limited Margao-Goa, before the due date.
 - (iv) transferred the amount of unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There were no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has re-appointment Managing Director with effect from 1-10-2011, there being no appointment of 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 thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.



23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amounts borrowed by the Company from the Banks and other during the financial year are within the borrowing limits of resolutions passed by the Company under section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given 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 provision of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The company has not altered the provisions of articles of association during the financial year.
31. There was/were no prosecution initiated against or show cause noticed received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted Provident fund for its employees and as such section 418 of the Act is not applicable.

Place : Porvorim-Goa

Date : 29th May, 2012

Signature :

Name of the

Company Secretary : I.M.D'Souza

C.P.No. 2132

Annexure "A"

Registers as maintained by the Company

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



Annexure “B”

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2012

S.No.	Form No./ Return	Filed under section	For	Date of filing
1	23C	233B(2)	Appointment of Cost Auditor made on 27-5-2011 for the year 2011-12	31-05-2011
2	1	205-A	Unclaimed dividend for the year 2003-2004 transferred to Investor Education and Protection Fund	11-10-2011
3	23	192	Registration of Special Resolution passed at the AGM held on 30-9-2011	22-10-2011
4	25C	269(2)	Appointment of Managing Director with effect from 1-10-2011	22-10-2011
5	66	383A(1)	Compliance Certificate for the year ended 31-3-2011	22-10-2011
6	20B	159	Annual Return as at the date of AGM as on 30-9-2011	05-11-2011
7	1	233B(4)	Cost Audit Reports in respect of Industrial Gas and Medical Gas units at Bangalore, Bhadravati, Mysore, Trivandrum & Udyogamandal	07-11-2011
8	8	125	Registration of Charge dated 16-12-2011 for Rs. 15,25,000 with Corporation Bank, Margao	23-01-2012 with addl. fee
9	23ACXBRL & 23ACAXBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31-3-2011	02-02-2012 with addl. fee