



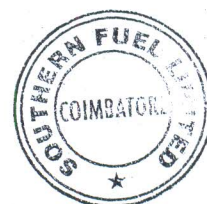
SOUTHERN FUEL LIMITED

TWENTY FIRST ANNUAL REPORT

2013-2014

SOUTHERN FUEL LIMITED

BOARD OF DIRECTORS	Sri CV Kaleesswaran Sri K Vijay Anandh Sri P Parthiban Sri M Karuppasamy	Chairman cum Managing Director Joint Managing Director Director Director
	AUDIT COMMITTEE Sri.P.Parthiban Sri.M.Karuppasamy Sri CV.Kaleesswaran	INVESTORS GRIEVANCES COMMITTEE Sri. CV. Kaleesswaran Sri. K. Vijay Anandh
	SHARE TRANSFER COMMITTEE Sri.CV.Kaleesswaran Sri. M Karuppasamy	REMUNERATION COMMITTEE Sri.P.Parthiban Sri. M.Karuppasamy
AUDITORS	M/s RAJAN SANKAR & CO Chartered Accountants No.1, Sarojini Street, Ramnagar Coimbatore – 641 009	
BANKERS	Axis Bank 1095, Avinashi Road, Pappanaickenpalayam, Coimbatore - 641037	
REGISTERED OFFICE	SF No.108/2, Saravanampatti Road, Vellakinar, Coimbatore – 641 029	
WORKS	A – 82 SIPCOT Industrial Complex Melur Post Tuticorin – 628 002	
REGISTRAR & SHARE TRANSFER AGENTS	M/s. S K D C Consultants Limited Kanapathy Towers, 3 rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore-641 006	



SOUTHERN FUEL LIMITED

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on 30th September 2014 at 10.00 A.M at the Registered Office of the Company at 187 – A, Mettupalayam Road, Kavundampalayam, Coimbatore – 641 030 to transact the following business:

AGENDA

ORDINARY BUSINESS:

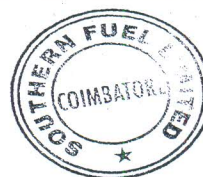
1. To consider and adopt the Audited Balance Sheet as at 31st March 2014, Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules 2014 or such other modifications/ clarifications if any from time to time in accordance with the Act and pursuant to the recommendations of the Audit Committee, the retiring Auditors M/s. Rajan Sankar & Co., (Firm Reg No.003430S), Chartered Accountants, Coimbatore- 641 009 be and are hereby appointed as Statutory Auditors of the Company to hold such office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting subject to ratification by members at every Annual General Meeting on such remuneration plus service tax, out of pocket expenses as may be fixed by the Board of Directors of the Company as recommended by the Audit Committee thereof.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri.M.Karuppasamy (DIN : 03184932), Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.M.Karuppasamy as a candidate for the office of Independent Director of the Company and who has submitted a



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declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years upto 29th Septemeber 2019.

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

RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri.P.Parthiban (DIN : 02858402), Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.P.Parthiban as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years upto 29th Septemeber 2019.

For and on behalf of the Board



Place: Coimbatore
Date : 30.05.2014

CV Kaleeswaran
Chairman cum Managing Director

Note:

1. A member entitled to vote, is entitled to appoint a proxy to attend and vote instead of himself, the proxy need not be a member of the Company.
2. Proxies in order to be effective should reach the Registered Office of the Company before 48 hours of the commencement of the Annual General Meeting.
3. Members are requested to bring their copy of the Annual Report and duly filled attendance slip with them to the Annual General Meeting.
4. Information as required under Clause 49 of the Listing Agreement in respect of re-appointment of Director is provided in the Annexure to the notice.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from ~~16.09.2014 to 30.09.2014~~ (Both days inclusive).
6. Since the Company has not declared any dividend, furnishing particulars regarding transfer of unpaid or unclaimed dividend are not applicable.



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7. Members are requested to intimate the change of address, if any, quoting their registered folio number to the Company. Members are requested to intimate including their DPID / Client ID the change of address if any in their address, Bank particulars to their respective Depository Participant (DP) in case the shares are held in demat form.
8. The Companies (Amendment) Ordinance, 1999 has provided for a nomination facility for the shares held in a Company. The Nomination Form 2B along with instructions will be provided to the members on request. Interested members are requested to write to the Shares Department at the Registered Office of the Company.
9. Members have option to hold their shares in dematerialized form through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN Number allotted to the Company is INE261K01019.
10. To support the Green Initiative of the Government, the Shareholders are requested to convey / update their e-mail address with their respective Depository Participant to enable the Company to forward documents to the Shareholders by e-mail

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

Item No.3

Sri.M.Karuppasamy, aged 55 years is well experienced in the Trading Business of Coke. He is an Independent Director on the Board of Directors of the Company for over 4 years.

The Company has received a nomination under Section 160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri.M.Karuppasamy as Independent Director. Sri.M.Karuppasamy will hold office for a period of five years from the conclusion of this Annual General Meeting.

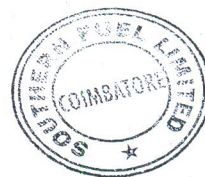
In the opinion of the Board, Sri.M.Karuppasamy, proposed to be appointed as an Independent Director fulfills the conditions specified in the Section 149 (6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

None of the Directors, key managerial personnel or their relatives other than Sri.M.Karuppasamy is concerned or interested in the resolution.

Item No.4

Sri P.Parthiban , aged 44 years has Ten years experience in the Trading Business of LAM Coke. He is an Independent Director on the Board of Directors of the Company for over 9 years.

The Company has received a nomination under Section 160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri P.Parthiban as Independent Director. Sri P.Parthiban will hold office for a period of five years from the conclusion of this Annual General Meeting.



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In the opinion of the Board, Sri P.Parthiban, proposed to be appointed as an Independent Director fulfills the conditions specified in the Section 149 (6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

None of the Directors, key managerial personnel or their relatives other than Sri P.Parthiban is concerned or interested in the resolution.

Details of Directors seeking appointment / reappointment as required under Clause 49 of the Listing Agreement

Name	Sri.M.Karuppasamy	Sri P.Parthiban
Date of Birth and Age	05.01.1957 and 55 years	17.06.1969 and 44 Years
Qualification	-	Graduate
Date of Appointment	01.03.2010	04.03.2005
Experience in specific functional areas	Well experienced in the Trading Business of Coke	Ten years experience in the Trading Business of LAM Coke
Directorship held in other Public Companies	Nil	Nil
Memberships / Chairmanships of Committee across public Companies	Nil	Nil
No of Equity Shares held	Nil	Nil



SOUTHERN FUEL LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

To

The Members

Your Directors have great pleasure in presenting the Twenty First Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The financial results of the Company for the year under review are furnished below:

Particulars	(Rupees in Lakhs)	
	31.03.2014	31.03.2013
Operating Profit / (Loss) before interest and depreciation	(9.27)	(81.57)
Less: Interest	0.09	63.93
Gross Profit / (Loss)	(9.36)	(145.50)
Less: Depreciation	25.83	27.97
Less Provision for Taxation	(2.03)	(1.80)
Net Profit / (Loss) for the year	(33.15)	(171.67)
Amount Brought forward from previous year	(504.20)	(332.53)
Amount carried over to Balance Sheet	(537.35)	(504.20)

DIVIDEND:

The Directors of the Company have not recommended any dividend due to loss.

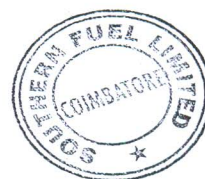
REVIEW OF OPERATION:

The Company has completely stopped the operation and there was no revenue during the current financial year. The Company has incurred a loss of Rs. 33.15 lakhs as against loss of Rs.1.72 Crores in the previous year. As reported earlier the Company's plant has been closed from November 2011 due to scarcity of the raw material coupled with raise in coking coal price fueled with sluggish demand.

Due to financial constraint, the company has not entered into e-voting agreement/s and hence e-voting facility and postal ballot facility is not provided to the shareholders.

OPEN OFFER AND FUTURE PROSPECTS:

The Company is in the process of mitigating its loss by opting out various options including the sale of undertaking. As such the present promoters (Shivamani Group) made an attempt to dispose their shareholding and executed an agreement with Mr. Ramesh Kumar Sharma and Mrs. Kaushal Sharma on 16th November 2012. Accordingly the Acquirers made an Open Offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST, 2011"). The Open Offer was made on behalf of the Acquirers from April 29, 2013 till May 13, 2013. The



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Open Offer under the Take over Regulations was completed on May 13, 2013. The Acquirers has gone back on their commitments and hence the Takeover process could not be completed.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public during the year.

REGISTERED OFFICE:

The Registered office of the Company has been shifted from 187A, Mettupalayam Road, Kavandampalayam, Coimbatore – 641 030 to SF No 108/2, Saravanampetty Road, Vellakinar Coimbatore – 641 029 with effect from 29.01.2014.

DIRECTORS:

In accordance with the provisions of the companies Act, 1956, Sri P.Parthiban and Sri.M.Karuppasamy, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. The Directors recommend their appointment. The details as required under clause 49 of the listing Agreement is attached.

AUDITORS:

Your Company's Auditors M/s. Rajan Sankar & Co., Chartered Accountants, Coimbatore retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

COMPANY SECRETARY:

In view of huge loss, the Company was not in a position to appoint a Company Secretary.

COMPLIANCE CERTIFICATE:

The Compliance Certificate obtained from a Practising Company Secretary as required under Section 383A of the Companies Act, 1956 and Cost Accountant are enclosed.

PARTICULARS OF EMPLOYEES:

In accordance with Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, as amended, the names and other particulars of the employees of the Company who are in receipt of remuneration of not less than Rs.60 Lakhs per annum and Rs.5,00,000/- per month is Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required under section 217 (1) (e) of the Companies Act, 1956.

During the year under review the Company has not resorted to absorption/up gradation of new technology in regard to energy conservation

Foreign Exchange earned: Nil

Foreign Exchange used : Nil



SOUTHERN FUEL LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- a. that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that your Directors had 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 and of the profit of the Company for that period;
- c. that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in detecting fraud and other irregularities;
- d. that your Directors had prepared the annual accounts **on a going concern basis**.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance, Management Discussion and Analysis and a certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated Under Clause 49 of the Listing Agreement form part of the Annual Report.

LISTING:

The equity shares of the Company are listed in Bombay Stock Exchange But trading in the share of this Company was suspended during the period when a rehabilitation process was taken up by BIFR The listing agreement stipulates that in consideration of listing by the Stock Exchange ,the company is agreed to comply with all the requirements under the agreement. The listing of securities of the Company would be complete when the securities of the Company are allowed to be traded in the Stock Exchange The trading in the share of this Company was suspended during the period when a rehabilitation process was taken up by BIFR After the rehabilitation scheme was framed by the BIFR ,application for revocation of suspension in trading in shares of Company was duly made in April ,2010 to the Bombay Stock Exchange. The company had also complied with all the requirements of the listing agreement including the past data and information as directed by the Exchange. However even after a lapse of two years there is no response from the Exchange. Under this circumstance it was opined that there is no point in complying with the conditions of the Listing Agreement when the securities of the Company are not allowed to be traded in the Exchange and in effect that the listing of our securities has not been complete and the annual listing fee also was not paid to Bombay Stock Exchange from the financial year 2012-13 and 2013 - 14. Therefore it was decided to comply with the conditions of the listing agreement as soon as the suspension on trading in our shares is revoked and accordingly the Exchange was informed

Members have option to hold their shares in dematerialized form through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). **The ISIN of the Company is INE261K01019.**

ENVIRONMENT AND SAFETY:

The Company has taken various steps to attain high level of safety in its factory and we are happy to inform that there was no untoward incident during the year under



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consideration. Strict measures were taken to keep the environment clean and free from Pollution.

ACKNOWLEDGEMENT:

Your Directors wish to express their sincere thanks for the valuable co-operation and assistance extended by Government Authorities, Bankers, Tamilnadu Electricity Board, shareholders, consumers and suppliers. They also wish to place on record their appreciation for the hard work and dedicated service put in by the employees at all levels.

For and on behalf of the Board



CV Kaleesswaran
Chairman cum Managing Director

Place: Coimbatore
Date: 30.05.2014



SOUTHERN FUEL LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS:

COMPANY'S BUSINESS:

The Company's plant has been closed since November 2011 due to scarcity of the raw material coupled with raise in coking coal price fueled with sluggish demand.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Your Company is the first of its kind to have a plant in South India to manufacture Low Ash Metallurgical Coke (LAM Coke), by employing Bee-Hive Technology. Especially, Coimbatore is the largest consumer of LAM Coke in South India. Your Company has the location advantage due to freight factor than other units in East India. Due to Chinese Coke imports are very much competitive; Indian coke manufacturing industries are struggling to compete in terms of price with the imported coke from China.

OPPORTUNITIES AND THREATS:

Opportunities:

As the steel and foundry industries have revived their operation at a larger scale consequent to improvement in mining industry the demands for good quality met coke is expected to improve further, the Company sees good fortune in near future.

Threats:

The main concern is the recent trend in the non availability of coal (raw material) at affordable price

Due to the fact that Tuticorin does not have deep draft port, we are unable to bring in large vessels so that we could not save the freight cost. Moreover, due to limited capacity we can only bring in small parcels of 10000 to 15000 Tons and as such compared to other importers our basic price of raw material is much higher.

OUTLOOK:

As the Company is taking all efforts for regular supply of raw material for continuous production, the Company shall be in a position to improve the performance.

RISKS AND CONCERNS:

The Company is facing intense competition from the big players in the market and availability of quality and adequate raw material

DISCUSSION ON FINANCIAL PERFORMANCE:

Please refer the Board's Report and Financial Results.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

The Company recognizes the importance and contribution of its human resources for its growth and development and committed to the development of its people.



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SEGMENT WISE PERFORMANCE:

As the Company has only one segment of manufacture of Low Ash Metallurgical Coke, segment wise performance has not been given.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS:

The Company has complied with the requirements of the Corporate Governance norms as enumerated in clause 49 of the Listing Agreement with the Stock Exchanges. However filing of quarterly corporate compliance report with the Stock Exchange has been kept in abeyance till the receipt of approval for the revocation of suspension of trading in the shares of the Company and also the publication of audited and unaudited financial results including Section 154 of the Companies Act 1956 compliance in news paper and publication of notice in newspaper regarding Board Meeting.

INSURANCE:

The Company has not insured its properties.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing Company's Projections estimates expectations are predictions may be 'forward looking prediction' within the meaning of Securities Laws and Regulations. Actual results may differ from such estimates, projection etc whether expressed or implied.

For and on behalf of the Board



CV Kaleeswaran
Chairman cum Managing Director

Place: Coimbatore

Date: 30.05.2014



SOUTHERN FUEL LIMITED

CORPORATE GOVERNANCE REPORT (Pursuant to Clause 49 of the Listing Agreement)

The Company's philosophy is to establish good corporate governance, which will ensure accountability, transparency and shareholder's protection.

BOARD OF DIRECTORS:

a. Composition of the Board:

The Board of Directors comprises of 4 (Four) Directors viz., one Chairman cum Managing Director, one Joint Managing Director both of whom represent Promoters and the remaining two Non-Executive independent Directors who bring in a wide range of skills and experience to the Board and has no business relationship with the Company. The number of independent directors is half of the total number of Directors. It also ensures a balanced combination of Executive and Non Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

b. Ceiling of Directorship/Committee position

None of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees across all companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

BOARD MEETING AND GENERAL MEETING:

The Board met 7 (Seven) times during the financial year on the dates mentioned below:

1. 03.05.2013
2. 03.07.2013
3. 02.08.2013
4. 08.11.2013
5. 10.01.2014
6. 07.02.2014
7. 21.03.2014

The Annual General Meeting for last year held on **30.09.2013**. The gap between two meetings did not exceed four months. The information as required under Annexure-IA to Clause 49 of the Listing Agreement is being made available to the Board for discussion and consideration at Board Meetings.

Directors Name	No. of Board Meeting attended	Last AGM Attended Yes / No	Last EGM Attended Yes / No	No. of Other Directorship	No of Board Committee Memberships in other Companies
Sri CV Kaleesswaran	7	Yes	-	2	-
Sri K Vijay Anandh	7	Yes	-	2	-
Sri P Parthiban	7	Yes	-	-	-
Sri M Karuppusamy	7	Yes	-	-	-



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COMMITTEES OF BOARD:

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals and evaluation of performance and control function vest with the Board. The Board has constituted four committees, namely, Audit Committee, Remuneration Committee, Share Transfer Committee and Investors' Grievance Committee.

Audit Committee:

The role of the Audit Committee is to review the internal control procedures, internal audit system, financial reporting process, accounting policies and annual statements before submission to the Board and other related aspects as per the guidelines of Clause 49 of the Listing Agreement.

The Audit Committee members are Sri CV Kaleesswaran, Sri P Parthiban and Sri.M.Karuppusamy.

Sri M.Karuppusamy, Non Executive Independent Director is the Chairman of the Committee. The Audit Committee met four times during the year under review:

03.05.2013, 02.08.2013, 08.11.2013 and 07.02.2014

Remuneration committee:

The Board of Directors has constituted a Remuneration Committee.

The Remuneration Committee members are Sri P Parthiban and Sri.M.Karuppusamy.

Sri M.Karuppusamy, Non-Executive Independent Director is the Chairman of the Committee.

No meeting was held during the financial year.

Investors Grievance Committee:

The role is to redress the grievances of shareholders complaints for transfer / transmission of shares, complaints of shareholders are attended without delay and are dealt within a month's time.

The present members of the Committee are Sri CV Kaleesswaran and Sri K Vijay Anandh.

The Chairman of the Committee is Sri K Vijay Anandh. The Committee met four times during the year under review as under:

03.05.2013, 02.08.2013, 08.11.2013 and 07.02.2014

Number of complaints received from shareholders:

- | | |
|--|-------|
| a. Number of Complaints received from Shareholders | : Nil |
| b. Number of Complaints not solved | : Nil |
| c. Number of pending Transfers | : Nil |



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CODE OF CONDUCT:

The Board of Directors has adopted a Code of Conduct and Ethics ("the Code") to help ensure compliance with the legal requirements and standards of business conduct. The purpose of the Code is to deter wrong doing and promote ethical conduct.

The Code applies to all Directors and members of Senior Management of the Company. All Board Members and personnel of the Senior Management of the company have affirmed compliance with the Code. A declaration to this effect, signed by the Managing Directors is annexed. The Company has not posted the code in its website.

DISCLOSURES:

a. The details of related party disclosures are furnished hereunder:

1. Subsidiary : NIL
2. Associates : Shivamani and Company Private Limited

Shivamani Energy Source Private Limited

3. Key Management Personnel : Sri. CV. Kaleeswaran and Sri. K. Vijay Anandh

Transaction with related parties	Associates	Associates	Key Management Personnel	Key Management Personnel
	31.03.2014 (Rs. Lakhs)	31.03.2013 (Rs. Lakhs)	31.03.2014 (Rs. Lakhs)	31.03.2013 (Rs. Lakhs)
Purchases				
Shivamani Energy Source Private Limited	--	--	--	--
Shivamani and Company Private Limited	---	65.27		
Sales				
Shivamani Energy Source Private Limited	--	--	--	--
Shivamani and Company Private Limited	--	49.08		
Amount Receivable				
Shivamani Energy Source Private Limited	--	--	--	--
Shivamani and Company Private Limited	--	--		
Amount Payable				
Shivamani Energy Source Private Limited	--	--	--	--
Shivamani and Company Private Limited	461.15	454.16		

- b. The Company has not entered into any other transactions of material nature with its promoters, Directors or management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the company at large. The register of



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contracts containing the transaction in which directors are interested or concerned is placed before the Board for its approval.

- c. The Company has taking steps for making application to Central Government under Section 297 of the Companies Act 1956.
- d. The Audit Committee is periodically briefed of related party transactions entered into by the company in the ordinary course of business.
- e. The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that may have a potential conflict with the interest of the company at large.
- f. There were no instances of non-compliance, penalties and strictures on the Company by SEBI / Statutory Authority on any matter relating to capital market during the last 3 years.
- g. The Company follows Accounting Standards issued by the Central Government and in the preparation of financial statements; the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- h. Managing Director has certified to the Board In accordance with Clause 49 V of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March 2014.

ANNUAL GENERAL MEETINGS:

AGM	YEAR	VENUE	DATE	TIME
18 th	2011	Registered Office at Coimbatore	30.09.2011	10.00 A.M.
19 th	2012	Registered Office at Coimbatore	29.09.2012	10.00 A.M
20 th	2013	Registered Office at Coimbatore	30.09.2013	10.00 A.M.

Particulars of past three Annual General Meeting:

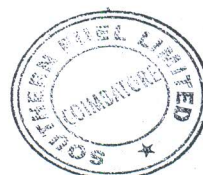
The Company does not have any special resolutions to put through postal ballot during the last three years. The Company does not have any proposal to pass any Special Resolution by way of Postal Ballot.

Nomination Facility

The Company is accepting nomination forms from shareholders in the prescribed Form No.2B. Any shareholder, who is desirous of making a nomination, is requested to contact the share department at the registered office of the company or the Registrar and Share Transfer Agents. Nomination is only optional and can be cancelled or varied by the shareholder at any time.

Means of Communication:

- a. The Quarterly / Half yearly unaudited financial results and the annual unaudited financial results together with the relative notices are not published in newspapers and the immediate transmission of data's are made to Stock Exchanges as per the listing Agreement.
- b. The printed Annual Report have been dispatched to individual shareholders.
- c. The Management Discussion and Analysis report, which forms part of the Annual Report, is enclosed.
- d. The financial results are not made accessible on the Company's website, www.southernfuel.net



SOUTHERN FUEL LIMITED

Share Transfer System

All transfers received are processed by the Registrars and Share Transfer Agents and are approved by the Share Transfer Committee. Share transfers are registered and returned to the shareholders within the stipulated time if the documents are in order.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participant's) Regulations 1996, certificates have also been received from a Company Secretary in Practice for timely dematerialization of shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. However the dematerialization was under hold for want of Suspension of trading by BSE.

General Shareholders Information:

- a. The Company has appointed Registrars & Share Transfer Agents for physical and demat segment. The Name and Address is given below:

M/s. S K D C Consultants Limited

Kanapathy Towers

3rd Floor, 1391/A-1, Sathy

Road, Ganapathy,

Coimbatore – 641 006

Phone No: 0422-6549995

Fax No: 0422-2539837

e mail – info@skdc-consultants.com

Contact person: Mr. Marimuthu, Manager

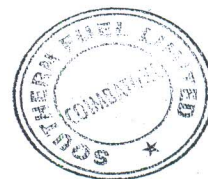
- b. The Company's shares are listed in Bombay Stock Exchange. But trading operations are suspended. Now, the Company is taking necessary steps to revoke the suspension of trading and dematerialize its shares.
- c. As shares are not traded in stock exchanges the details relating to market price data are not given.

Dematerialisation of shares:

Members have option to hold their shares in dematerialized form through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). **The ISIN of the Company is INE261K01019.** Members are advised to contact their Depository Participants and get their share dematerialized early.

Financial Calendar (Tentative):

1	Publication of unaudited financial results for the quarter ended 30.6.2014	Last week of July, 2014
2	Publication of unaudited financial results for the quarter ended 30.9.2014	Last week of October 2014
3	Publication of unaudited financial results for the quarter ended 31.12.2014	Second week of February 2015
4	Publication of audited financial results for the	Second week of May 2015



SOUTHERN FUEL LIMITED

	quarter ended 31.3.2015	
5	Annual General Meeting	30 th September 2015

Annual General Meeting:

The Twenty First Annual General Meeting of the Company will be held on 30th September 2014 at 10.00 A.M at the Registered Office of the Company at SF No.108/2, Saravanampatti Road, Vellakinar, Coimbatore- 641 029.

Compliance Officer:

Name : Mr.K.Vijayanand
 Contact No : 0422 2929371
 Fax : --
 E-Mail : info@southernfuel.net

Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 17.09.2014 to 30.09.2014 (both days inclusive) for the purpose of Annual General Meeting.

Company Plants:

The Company's plant is located at A-82, SIPCOT Industrial Complex, Melur Post, Tuticorin - 628 002.

Address for Correspondence:

The Registration of Power of Attorney, Status change, Transmission, Consolidation, Split and other queries may please be sent to:

S K D C Consultants Limited

Registrars & Share Transfer Agents,

Unit: Southern Fuels India Limited

Kanapathy Towers

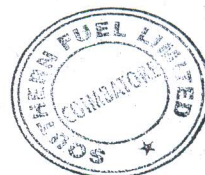
3rd Floor, 1391/A-1, Sathy

Road Ganapathy,

Coimbatore – 641 006

Shareholding pattern as on 31.03.2014:

Sl. No.	Particulars	No of Shares	Percentage
1	Directors and relatives	3130150	90.60
2	Indian FI's, Banks and Mutual Funds	29240	0.85
3	Foreign Institutional Investors / NRI's	32220	0.93
4	Others	263390	7.62
	TOTAL	3455000	100.00



SOUTHERN FUEL LIMITED

Distribution of Shareholding as on 31.03.2014:

No of Shares held	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
Upto 5000	6306	98.70	1520300	4.40
5001-10000	51	0.80	352480	1.02
10001-20000	9	0.14	120600	0.35
20001-30000	7	0.11	187900	0.54
30001-40000	2	0.03	62400	0.18
40001-50000	1	0.02	44000	0.13
50001-100000	6	0.09	428500	1.24
100001 & above	7	0.11	31833820	92.14
TOTAL	6389	100.00	34550000	100.00

Compliance Certificate of the Auditors:

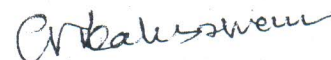
The Company has obtained a certificate from the statutory Auditors regarding Corporate Governance as per clause 49 of the Listing Agreement with Stock Exchanges and the same is annexed to this report.

Compliance Certificate

The Compliance Certificate obtained from a Practicing Company Secretary as required under Section 383A of the Companies Act, 1956 is enclosed.

To support the Green Initiative of the Government, the Shareholders are requested to convey / update their e-mail address with their respective Depository Participant to enable the Company to forward documents to the Shareholders by e-mail

For and on behalf of the Board



CV Kaleeswaran
Chairman cum Managing Director

Place: Coimbatore
Date: 30.05.2014



SOUTHERN FUEL LIMITED

Annual declaration by Managing Director pursuant to Clause 49(I)(D)(ii) of the Listing Agreement

As required under Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31st March 2014.

For and on behalf of the Board



CV Kaleeswaran
Chairman cum Managing Director

Place: Coimbatore
Date: 30.05.2014



SOUTHERN FUEL LIMITED

CEO / CFO Certificate (Pursuant to Clause 49 (V) of the Listing Agreement)

We certify that

- a) We have reviewed statements and cash flow statements for the year ended 31st March 2014 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management, or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Coimbatore

Date: 30.05.2014 General Manager (Finance)



CV Kaleesswaran

Chairman cum Managing Director

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 30.05.2014 and the same was approved thereat.



SOUTHERN FUEL LIMITED

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Southern Fuel Limited,

We have examined the compliance of conditions of corporate governance by Southern Fuel Limited for the year-ended 31.03.2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we state that no investor grievances were remaining unattended as on 31.03.2014 for a period exceeding one month, Our report are subject to the following observations and qualifications:

- a) That the company was not able to revoke the suspension of trading and hence the shareholders are unable to trade in shares of the company in stock exchanges.
- b) The Company has not posted the code in its website.
- c) The Company has not made any application under Section 297 of the Companies Act 1956. We have been informed that the Company was not in a position to make the compounding application due to financial constraints
- d) An open offer was made on 29th April 2013 to till 27th May.2013 and due to acquirers backing off from their commitment Takeover process was not completed.
- e) The Company has not published notice of intimation for the Board Meeting and also not published the Unaudited and Audited Financial results in the newspaper including notice under Section 154 of the Companies Act 1956.
- f) The transmission of data's stated to have made to Stock Exchanges as per the listing Agreement and the covering letters and its enclosures was made available to us.
- g) The Annual Report are stated to have been dispatched to individual shareholders by ordinary post.
- h) The financial results are not made accessible on the Company's website, www.southernfuel.net.
- i) The Company has not paid listing fees to the Stock Exchanges and fees to the Depository Participants.

21st Annual Report 2013-14



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For Rajan Sankar & Co.,

Place : Coimbatore
Date : 30.05.2014

N Ravisankar
Partner
Membership No.023548

COMPLIANCE CERTIFICATE

Regn. No of the Company: 181 - 12154 Nominal Capital: Equity Shares – Rs. 4,00,00,000/-
CIN: L02310TZ1993PLC012154 Paid-up Capital: Equity Shares – Rs.3,45,50,000/-

To

The Members
M/s. Southern Fuel Limited
187 A, Mettupalayam Road
Kavundampalayam
Coimbatore – 641 030

I have examined the registers, records, books and papers of **M/s. Southern Fuel 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, 2014** (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 filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Coimbatore, Tamilnadu under the Act and the Rules made there under **belatedly and in respect of e-form -18 for Change in Registered Office of the Company, ROC Challan is not made available for inspection.** As per information given by the officers and Agents of the Company, the Company was not required to file any forms with Central Government and other authorities **except Regional Director for prior approval as required under Section 297 of the Act. As the Company is Listed Company, the company is advised to comply the applicable clauses of the listing agreement.**
3. The Company being a Public Limited Company, the comments are not required.
4. The Board of directors duly met **7 (Seven) times** on the following dates 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.

03.05.2013	03.07.2013	02.08.2013	08.11.2013
10.01.2014	07.02.2014	21.03.2014	--

5. The Company closed its Register of Members from 17.09.2013 to 30.09.2013 (both days inclusive) 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 2013** was held on **30.09.2013** 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 referred under Section 295 of the Act,
9. *The Company has entered into contracts or arrangements falling within the purview of Section 297 of the Act and has not complied with the provisions of Section 297 of the Act during the financial year.*
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 during the year under review.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has
 - i) Delivered all the share certificates on lodgment thereof for transfer and transmissions of Equity Shares, however there was no allotment of shares or other securities during the year under scrutiny.
 - ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii) Not paid / posted warrants to any member of the Company as no dividend was declared during the financial year.
 - iv) No amounts in unpaid dividend account, application money due for refund, matured deposits, debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years transferred to Investors 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 appointments of Additional Directors, Alternate Directors or Directors to fill casual vacancy during the financial year.
15. The appointment of Managing Director/s have been made in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act 1956.
16. The Company has not appointed any sole – selling agents during the financial year.



17. The Company was not required to obtain any necessary approvals of Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year. ***However the Company is advised to obtain necessary approvals for the transactions entered / to be entered with related parties under Section 297 of the Act and also again directed to file compounding application for past violations before Hon'ble Company Law Board voluntarily and regularization of future transactions.***
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 or 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 during the financial year.
24. The Company has not made borrowings during the financial year ended 31.3.2014.
25. As informed by the Company, the Company has not made loans and investments to other bodies corporate during the year under review and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
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 not altered its Articles of Association during the year under scrutiny.
31. As per the explanation given to me by the officers and agents of the Company, there were no prosecutions 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. As per the information and explanations furnished to me by the Company its officers and agents, the Company has not received any money as security from its employees during the financial year.



33. The provisions of Section 418 are not applicable, since the Company has not constituted any Provident Fund for its employees under the Act.

Place: Coimbatore

Date : 30 5 2014



Soundararajan.G ACS
PRACTISING COMPANY SECRETARY
ILNo.13088 - CP No.4883



**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2014
SOUTHERN FUEL LIMITED**

Regn. No of the Company: 181 - 12154 Nominal Capital: Equity Shares – Rs. 4,00,00,000/-
CIN: L02310TZ1993PLC012154 Paid-up Capital: Equity Shares – Rs.3,45,50,000/-

ANNEXURE 'A'

Registers as maintained by the Company:

1. Register of Members U/s 150
2. Index of Register of Members
3. Register of Directors U/s 303
4. Register of Contracts in which Directors are interested U/s 301 (1)
5. Register of Contracts in which Directors are interested U/s 301 (3)
6. Register of Directors shareholding u/s 307
7. Board Meeting Minutes U/s 193
8. General Meeting Minutes U/s 193
9. Audit Committee Meeting Minutes
10. Investors Grievance Committee Meeting Minutes
11. Remuneration Committee Minutes
12. Register of Charges U/s 143
13. Share Transfer Register
14. Share Application and Allotment Register

ANNEXURE 'B'

Forms and returns as filed by the Company with the Registrar of Companies during the financial year ended 31st March 2014:

Sl. No	Form No.	Filed U/s	Particulars	Date of filing / SRN	Whether filed within prescribed time	If delay in filing whether Requisite Additional fee paid
1.	18	146	Change of situation of registered office from 187-A Mettupalayam Road, Kavundampalayam, Coimbatore - 641030 to 108/2, Saravanampatti Road, Vellakinar, Coimbatore – 641 029 with effect from 29.01.2014	28.02.2014	No	Yes
2.	17	138	Satisfaction of Charge in favour of Axis Bank on 12.03.2013 Charge ID: 10182821	C00216176 21.03.2014	Yes	Not Applicable

The Company is advised to file Form 66, Form 23AC & Aca-xbrl and Form 20B with ROC with Addl. fees. Forms and returns as filed by the Company with the Regional Director, Central Government and other authorities during the financial year ended 31st March, 2014 - Nil

Place: Coimbatore

Date: 30.5.2014



Soundararajan, G. ACS
Soundararajan, G. ACS
PRACTISING COMPANY SECRETARY
No. 13063 - CP No. 4893

Rajan Sankar & Co
Chartered Accountants

Partners

N.RAVISANKAR, B.SC., F.C.A
N.N.RAMARAJ, B.Com., A.C.A

**No : 1, Sarojini Street,
Ramnagar,
Coimbatore – 641 009**

☎ : 2230678 / 4379560

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOUTHERN FUEL LIMITED

TO THE MEMBERS OF SOUTHERN FUEL LIMITED

Report on financial Statements

We have audited the accompanying financial statements of SOUTHERN FUEL LIMITED, situated in No. 108/2, Saravanampatti Road, Vellakinar, Coimbatore 641 029, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Profit and Loss Account, of the **LOSS** for the year ended on that date
- c. In the case of Cash Flow statement of the cash flows for the year ended on that date

