



Inclusive **GROWTH**

Adding Momentum
Enriching the Environment





Inclusive Growth

Inclusive growth is at the forefront of our development policy. We seek to create opportunities for everyone to participate in our growth process, and benefit from it.

Our strategy is to ensure that growth is inclusive, not just for our stakeholders whose lives MGL touches, but in the diversity of opportunities it offers. And, at MGL, we are constantly on the lookout for approaches to extend, innovate and collaborate in new ways to drive inclusive growth further.



Vision

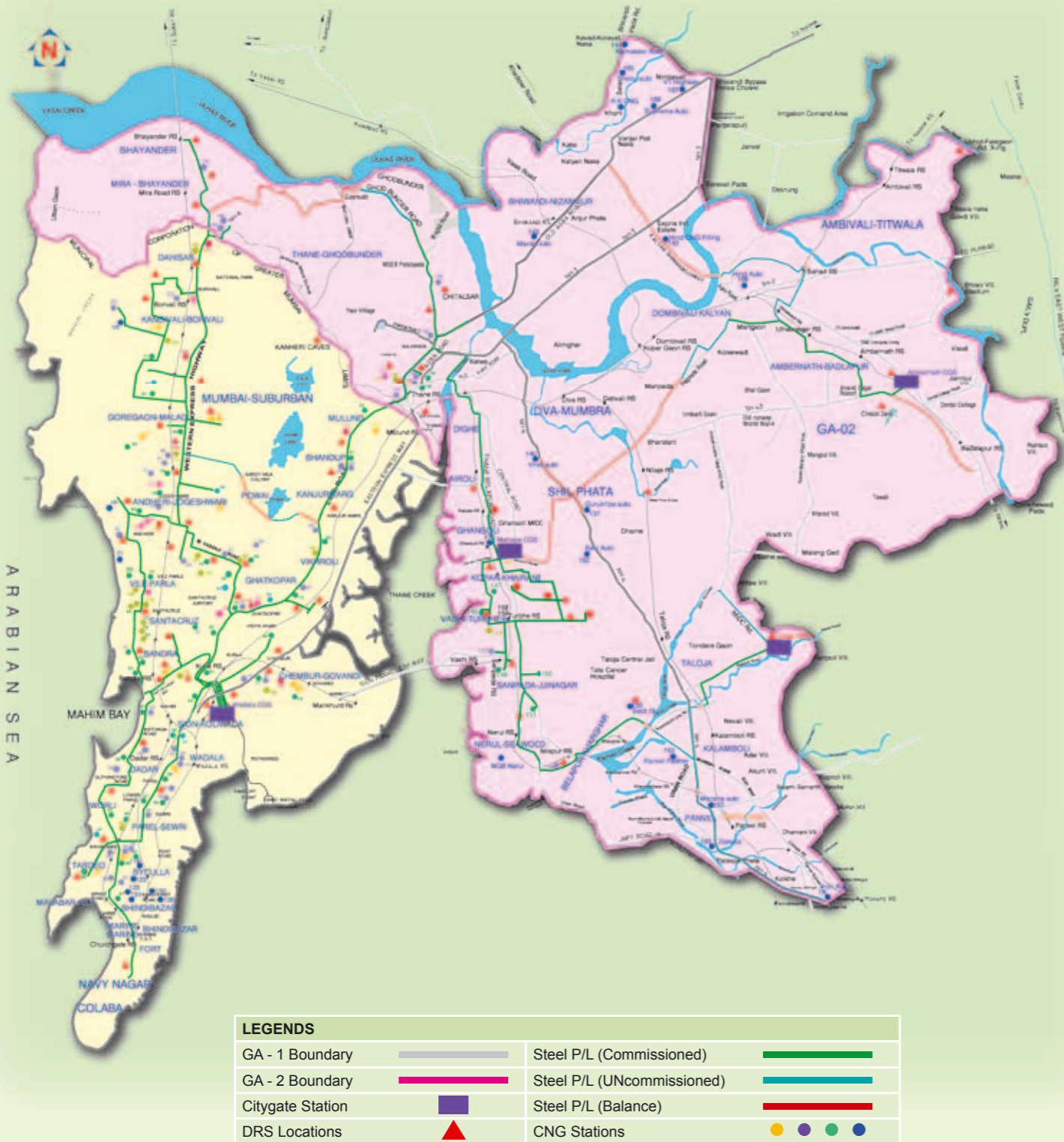
To be a leading consumer-friendly gas company.

To provide safe, efficient & reliable energy.

To contribute significantly for a pollution free environment.

Gas Distribution Network

Board of Directors



Mr. B.C. Tripathi
Chairman
(upto May 27, 2013)



Mr. Shaleen Sharma
Chairman
(w.e.f. May 28, 2013)



Mr. M. Ravindran
Director
(w.e.f. June 01, 2013)



Mr. Apurva Chandra
Director



Mr. Pankaj Kumar Pal
Director
(w.e.f. May 28, 2013)



Mr. Shahram Jahanbani
Director



Dr. Basudeb Sen
Director



Mr. J. K. Jain
Director



Mr. Santosh Kumar
Director



Mr. Arun Balakrishnan
Director



Mr. Vipin Chandra Chittoda
Managing Director



Ms. Susmita Sengupta
Technical Director
(w.e.f. February 15, 2014)



Mr. William Allan Perrin
Technical Director
(upto February 14, 2014)



Mr. S.L. Raina
Director
(upto May 31, 2013)

CGS Ambarnath



CGS Mahape



CGS Talaja



Highlights

- Over 10 lakh customers covering over 50 lakh people being supplied PNG & CNG in and around Mumbai.
- CNG filling facility at 17 depots for over 3300 public transport buses run by BEST, MSRTC, TMT, NMMT providing pollution-free travel to over 10 lakh people daily.
- Supplying CNG to over 3.9 lakh vehicles through a network of over 170 CNG outlets.
- Largest length and breadth of over 380 Km steel & 3800 Km PE pipeline spread across Mumbai and its adjoining areas.
- Daily reduction of over 1100 tonnes of pollutants in Mumbai with the use of CNG.
- Implementation of GIS mapping and SCADA system for efficient control and monitoring of the entire network.
- Initiative towards renewable energy sources by installing roof top solar power panels at CGS and office premises for reducing dependence on electricity.
- Securing Gas supply network by setting up a network of City Gas Terminals at strategic locations in the area of operation.
- Won Greentech Award for Environment Excellence and Safety.
- All CNG auto and taxi drivers (above 2 lakh) provided insurance cover against accidental death or disabilities under MGL's unique insurance scheme- 'Mahasuraksha Yojana'.
- Contributed in rehabilitation of families of three martyrs of 26/11 terror attacks by handing over operatorship of 3 CNG stations.
- Contributed for renovation of Taraporewala Aquarium, the only aquarium in Mumbai.
- Facilitated the mentoring of 10 meritorious students from underprivileged families for entrance exams of premier engineering institutions resulting in their selection for IIT/NIT.
- Reaching out to the customers through a network of 7 walk-in centres across the operational area.
- Enhancing customer centric approach by registering presence on social media.

* Figure for number of customers and pipeline as in August, 2014



CGS Wadala



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Fuelling relationship ...strengthening bonds



Today, MGL supplies PNG to over 7 lakh valued domestic, commercial and industrial customers through its network of over 4,000 Km of gas pipeline running across the length and breadth of its geographical areas.



Corporate Directory

BANKERS

The Hongkong & Shanghai Banking Corporation Ltd
United Bank of India
ICICI Bank
AXIS Bank
Standard Chartered Bank
Yes Bank Ltd
BNP PARIBAS
Kotak Mahindra Bank Limited
IDBI Bank Ltd
Oriental Bank of Commerce
HDFC Bank
Indian Bank
Punjab National Bank
The Dhanlaxmi Bank Ltd
Deutsche Bank, AG

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells,
Chartered Accountants,
Indiabulls Finance Centre, Tower 3, 32nd Floor,
Elphistone Mill Compound, Senapati Bapat Marg,
Elphistone (W), Mumbai - 400 013

COST AUDITORS

M/s. Dhananjay V. Joshi & Associates,
Cost Accountants,
"CMA Pride" Ground Floor, Plot No. 6, S. No. 16/6,
Erandawana Co.op. Hsg. Soc., Erandawana,
Pune - 411 004

REGISTERED OFFICE

MGL House, Block No: G-33,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051



Transforming Mumbai ... creating a cleaner environment



Today, over 3.9 lakh vehicles are running on CNG in and around Mumbai, thereby helping to reduce over 1,100 metric tonnes of pollutants everyday.

Directors' Report

TO THE MEMBERS

Your Directors are pleased to present the Nineteenth Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

FINANCIAL PERFORMANCE:

Your Company surpassed the milestone of ₹1,800 Crores turnover, registering an impressive growth of 24% over the previous year. The Profit after Tax is ₹ 297 Crores for the year 2013-14 as compared to ₹ 299 Crores for the year 2012-13.

The financial results for the year ended March 31, 2014 are summarized below:

Particulars	2013-2014	2012-2013
	₹ in Crores	₹ in Crores
Net Revenue (Operating)	1,885	1,514
Other Income	34	32
Profit before Interest and Depreciation	523	515
Interest	0.21	1
Depreciation	81	71
Profit before Tax (PBT)	442	442
Provision for Tax	145	144
Profit after Tax (PAT)	297	299
Balance of profit for earlier years	911	825
Balance available for appropriation	<u>1,208</u>	<u>1,124</u>
Appropriations:		
- Transfer to General Reserve	30	30
- Proposed Dividend on Equity Shares	156	156
- Tax on Dividend	27	27
- Balance of profit carried to Balance Sheet	995	911
Total appropriations	<u>1,208</u>	<u>1,124</u>
Earning per Share (₹ per Share)	33.27	33.41

Building trust of Promoters – Presentation of dividend cheque to BG India, GAIL (India) Ltd., and Government of Maharashtra



BG India



GAIL (India) Ltd.

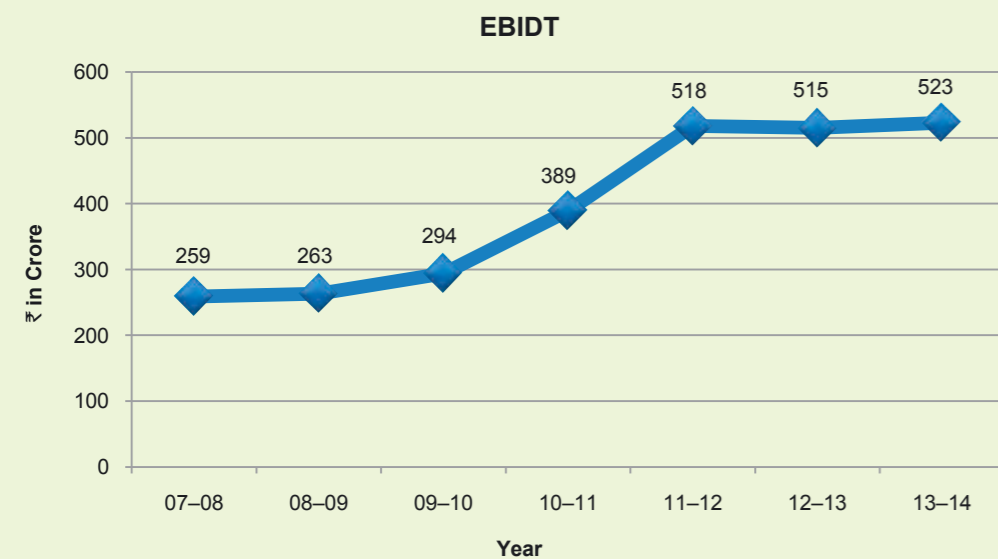


Government of Maharashtra

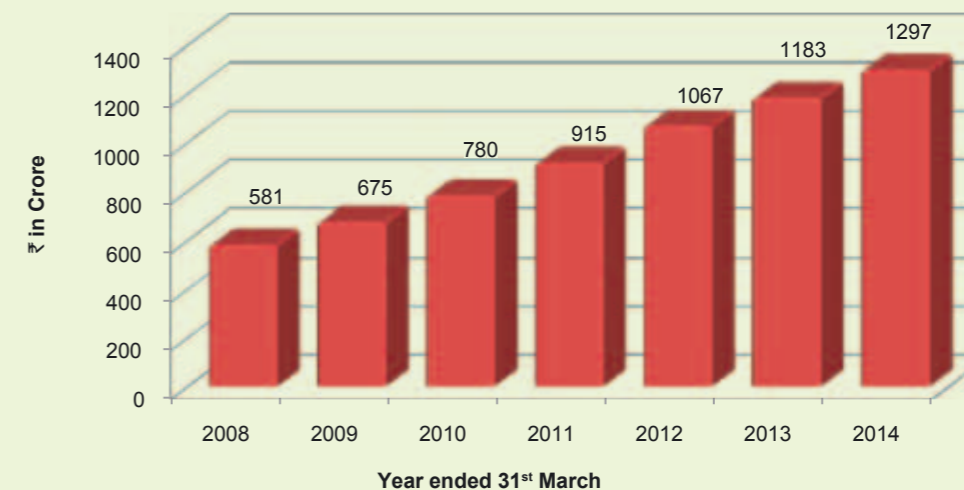
Net worth per share is increased from ₹ 132.37 in 2012-13 to ₹ 145.17 in 2013-14 signifying sound return on investment coupled with sizeable amount of profit ploughing back into the business.

DIVIDEND:

In the previous year, a dividend of ₹ 17.50 per share (which included special dividend of ₹ 7.50 per share) was paid. For the financial year ended March 31, 2014, your Directors are pleased to recommend a dividend of ₹ 17.50 per equity share (i.e. normal dividend of



Net Worth



₹ 10.00 per share and special dividend is ₹ 7.50 per share) on 8,93,41,600 equity shares of ₹ 10.00 each (175% on the paid up value of each share).

The payment of dividend, after your approval at the Annual General Meeting, will be made in accordance with the regulations applicable at that time.

FINANCE:

The Company continued to have a robust cash flow. The net worth of the Company as on March 31, 2014 is now ₹ 1297 Crores as compared to ₹ 1183 Crores as on March 31, 2013. Your Company is not having any interest bearing loans as on March 31, 2014. The Company has not accepted any fixed deposits from the public.

For the year 2013-14, long term rating of the Company has been reaffirmed at [ICRA] AAA by ICRA. This is a result of the financial soundness of your Company.

Low debt equity ratio will enable your Company to raise debt finance for its expansion plans.

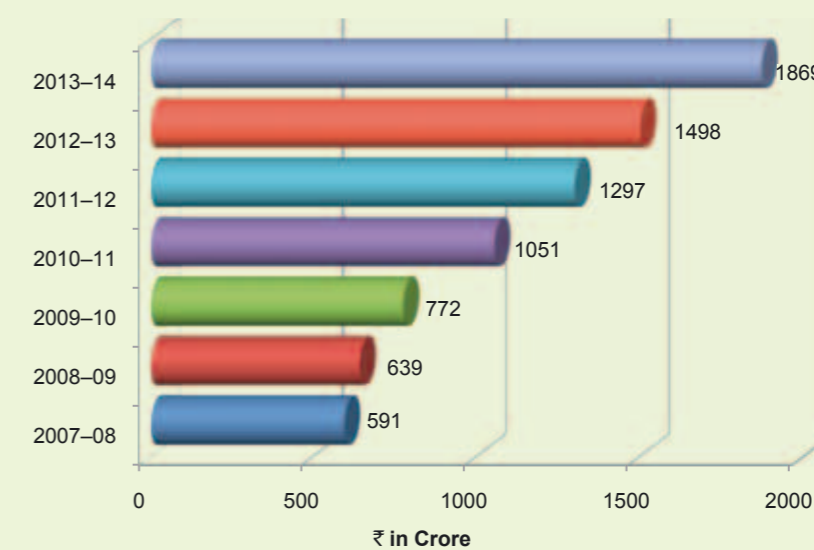
MANAGEMENT DISCUSSION & ANALYSIS:

(a) Operations and Business performance:

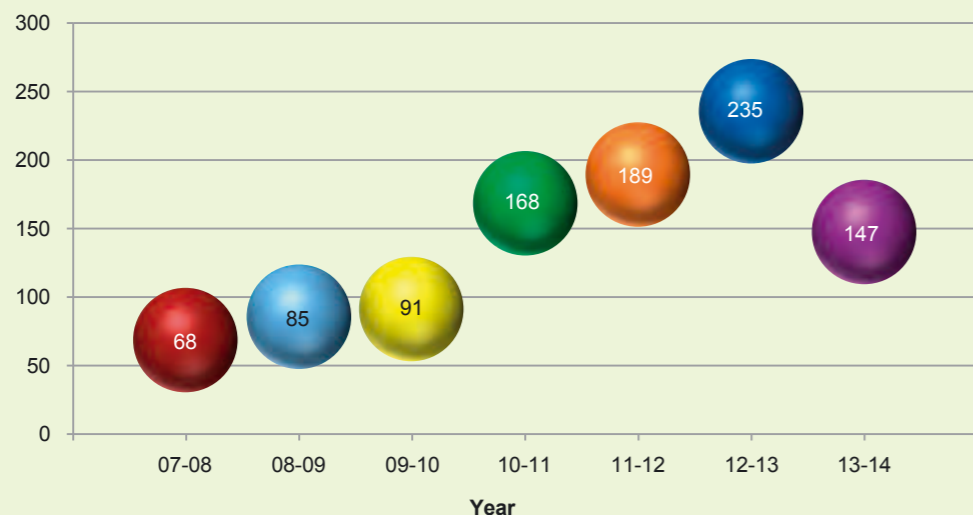
Mumbai is a densely populated and a congested city. Building infrastructure in the city has always been a challenge for your Company. Furthermore, as compared to other utilities whose infrastructure is already laid in the limited corridors available, City Gas Distribution (CGD) has the "last mover" disadvantage in Mumbai.

The Company has successfully continued scaling up of the infrastructure during the year under review in its authorised areas of operation of Mumbai, Thane, Mira-Bhayander and Navi Mumbai. The Company is also rapidly spreading its distribution infrastructure and connecting consumers in the suburban areas of Kalyan-Dombivali, Ambarnath-Badlapur, Ulhasnagar, Bhiwandi, Panvel, Kharghar and Taloja which are also within your Company's authorised geographical area. Growth has been maintained despite encountering complexities due to development of infrastructure by various other entities/authorities, limited construction window period

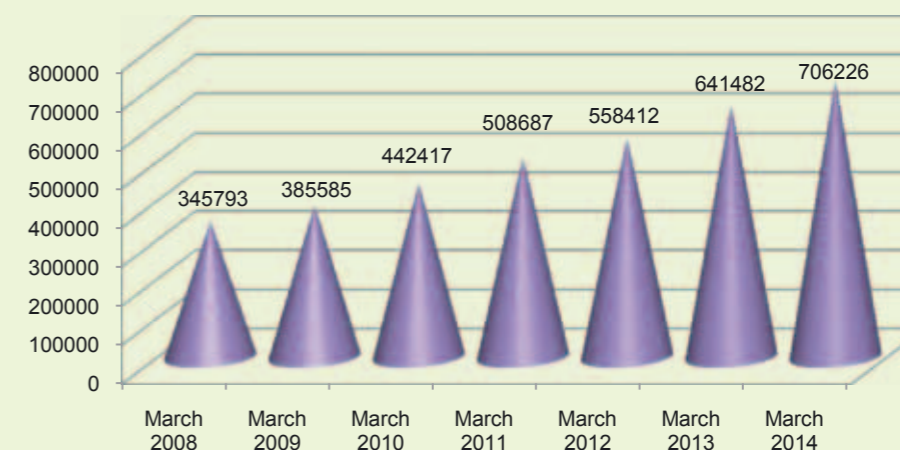
Sale of Natural Gas



Addition to Gross Block



Homes Benefited with PNG
Households Connected (Cumulative)



of six months due to monsoons and delay in availability of statutory permissions from local authorities to build CGD infrastructure.

The table below shows growth achieved by the Company:

Sr No	Particulars		Addition for the Year 2013-14	Cumulative Growth Upto March 31, 2014
A.	Piped Natural Gas - Household Consumers Connected	Nos	64,744	7,06,226
B.	Compressed Natural Gas - Outlets / Stations	Nos	13	169
	- Dispensing Points	Nos	85	920
	- Compression Capacity	Kgs/day	1,43,000	23,87,700
	- Vehicles converted to CNG	Nos	68,452	3,59,068
C.	Pipelines laid - Steel	Kms	27	378
	- Polyethylene	Kms	196	3,829

Continuous additions to the number of domestic connections and vehicles converted to CNG have ensured that your Company is one of the largest CGD companies in India in terms of consumer base.

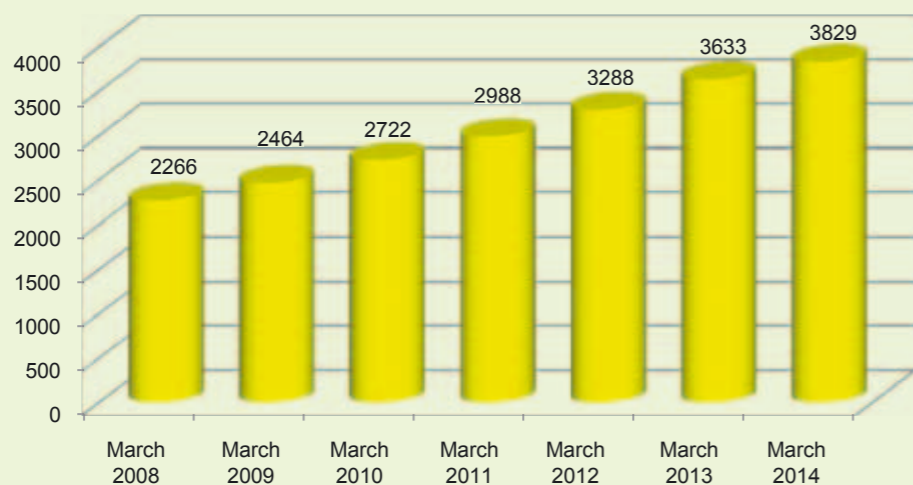
The average gas sales volume of your Company during the financial year 2013-14 increased to 2.26 MMSCM per day registering a growth of over 8.8% over the previous fiscal year. The highest daily gas volume has reached a peak of 2.539 MMSCM per day during the year.

During the year 2013-14, your Company has made substantial investments in network expansion in its existing areas of operations of laying, building and developing CGD infrastructure in the authorized areas.

During the year, apart from domestic connections, your Company has also made progress in adding new Commercial and Industrial consumers.

The average CNG sale during the financial year 2013-14 increased to 11.51 Lakhs Kg per day registering growth of about 8.9% over the previous fiscal year. The peak daily sale of CNG reached 13.32 Lakhs Kg per day during the year. The growth in demand for CNG is expected to continue and your Company is preparing to seize this opportunity by significantly investing further in the CNG infrastructure in the city of Mumbai and adjoining authorised areas during the next fiscal year.

PE Pipeline Laid
(Cumulative in km)



Some of the highlights of performance and initiatives taken up during the year are as follows:

- Day to day efficiency in gas sourcing, supply management, fund management and operations undertaken by your Company led to an overall control on costs.
- Your Company was re-affirmed with AAA rating by ICRA in March 2014, the highest possible rating for Debt instrument by ICRA.
- Your Company has completed successful assessment of OHSAS 18001:2007, ISO 9001:2008 and ISO 14001:2004.
- Your Company received Greentech Safety Award 2013 in Gold Category for outstanding safety management standards in its entire operations and for excellence in developing system and technologies for preserving the environment.
- Your Company signed term regasified Liquefied Natural Gas (RLNG) contract (0.15 Firm + 0.15 Fall back) for gas supplies commencing effectively from April 01, 2014 and the term is valid till December 2015. Firm RLNG supplies would help your Company to reduce its dependence on spot RLNG having high volatility of prices.

- Your Company has successfully commissioned its first DRS at Ambernath to cater to the demands of domestic load, and thereby completing its first domestic conversion at Ambernath.
- Your Company has also, safely and successfully, commissioned M/s. Fine Organics Industrial Pvt. Limited and M/s. Godrej Industries Limited in MIDC Ambernath area with a daily authorized quantity of 13,000 SCMD and 30,000 SCMD respectively.
- The first 'VIRTUAL PIPELINE-CASCADE SUPPLY' was commenced for M/s. Asian Colour Coated Ispat Limited, Khopoli which was beyond the reach of our pipeline.

(b) Development in Gas Sourcing and Pricing:

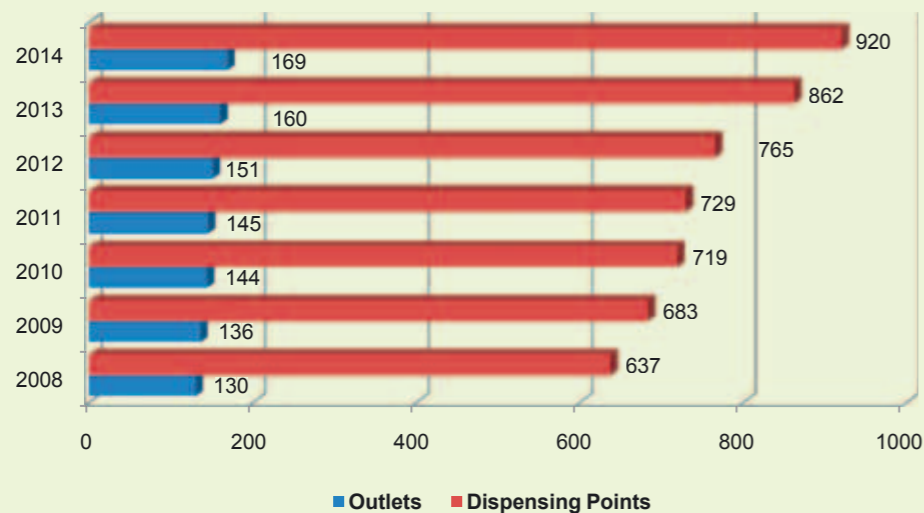
Untiring efforts and advocacy by your Company resulted in your Company being allocated domestic gas for full requirement of CNG (transport) and PNG (domestic) segment at a level of the average consumption in the first half of 2013-14 vide Ministry of Petroleum and Natural Gas (MOP&NG) guidelines dated February 03, 2014. The allocation of domestic gas will be reviewed periodically and revised based on actual consumption in the previous period, by MOP&NG.

However, additional demand of natural gas arising between two reviews shall be met by market determined priced gas. The recently signed term RLNG contract would help your Company to reduce its dependence on Spot RLNG having high volatility of prices.

Also, your Company has entered into framework agreements for Spot RLNG with various suppliers available in market to source Spot RLNG in a competitive manner to cater to daily and seasonal fluctuations in gas demand and quantities required over and above total of domestic gas allocations and firm RLNG supplies. Spot RLNG prices increased substantially during the year from low of about US\$ 14.99/MMBTU to a high of US\$ 19.54/MMBTU.



CNG Growth



(c) Opportunities and Challenges:

The decision dated February 03, 2014 of Government of India to provide domestic gas to cater to full requirement of CNG (transport) and domestic PNG segments increase security of gas supply.

The ability to source market priced gas from all major sources through physical connectivity with GAIL's Dahej-Uran pipeline network and the large demand potential in the existing authorized areas of your Company, provides a tremendous scope for growth.

A challenge before your Company would be to roll out its CGD infrastructure in a time bound manner to meet its regulatory targets, develop competitive skills to prepare for likely competition post exclusivity scenario in terms of skilled manpower, materials, contractors etc. and also to source long term gas at competitive terms. To address this challenge, your Company is focusing on upgrading its robust processes, strengthening manpower, developing more number of vendors, contractors and strengthening its regulatory functions with the support of its promoters - GAIL and BG.

In addition, an unfavorable outcome in the ongoing legal case in the Hon'ble Supreme Court between the PNGRB and Indraprastha Gas Limited, the Delhi based CGD entity, and other CGD entities on Network Tariff and Compression Charge related issues may have an impact on your Company.

(d) Risk Management & Internal Control System:

MGL has well placed robust internal control systems commensurate to the nature and size of its business and designed to ensure protection of value, adherence to operating standards and to eliminate the risk of fraud. Various policies and operating procedures have also been laid down to ensure internal control and compliance to statutory requirements.

Your Company has the following systems / procedures to ensure effective risk management and mitigation measures:

- i. Robust integrated Enterprise Resource Planning (ERP) system across the Company which encompass through all major business operations.
- ii. A Geographical Information System (GIS) to effectively manage its network.
- iii. A well defined financial authority matrix in the form of Book of Delegation of Power (BODOP) to ensure stringent financial control.
- iv. A Strategic Management Group (SMG) consisting of Senior Executives to undertake joint discussion and deliberation and to take joint decision on major issues.
- v. A formal Risk Committee of Senior Executives to identify and discuss the critical business risks as well as to discuss the mitigation plans and responsibilities for identified risks. The Reports on the risks and mitigation plans are periodically placed before the SMG, Audit Committee and MGL Board.
- vi. An internal audit by reputed external professional firm covering major business operations, ensures the effectiveness of existing processes, controls and compliances. The key findings and vital recommendations are reported to the senior management and Audit Committee of the Board at regular intervals.

Apart from the above, the organization structure and the well defined financial authorities' matrix at different levels optimizes decision making and ensures transparency. A combination of processes like approved policies / procedures and system of internal checks and balances involving inter-dependencies of job responsibilities also ensures that there are discussions and approvals before any commitment is made.

(e) Health, Safety, Security & Environment (HSS&E):

Safety

Your Company is in the business of supplying Piped and Compressed Natural Gas that is environment friendly and safe. To facilitate this, your Company constructs and operates pipelines in the city of Mumbai and its adjoining towns. Whilst doing this, your Company adheres to high standard of Health, Safety, Security and Environment as the Company believes that 'Outstanding Business Performance requires Outstanding HSS&E Performance'. Your Company complies with all legal and statutory requirements applicable to its operations as a minimum standard and aspires to attain recognised world class performance.

Your Company is accredited to OHSAS 18001:2007, ISO 14001 for Environment and ISO 9001:2008 for Quality Management Systems which are being audited regularly at par with international requirements.

Your Company is committed to the health and safety of all its employees, the employees of our contractors and other stakeholders who may be affected by the Company's operations. Your Company considers its contractors as business partners and expects them to adhere to the Company's HSSE standards. Coaching and assistance is provided to the business partners as and when required.

Your Company has received the prestigious "Greentech Safety Award 2013-Gold Category" in the CGD sector in recognition of its outstanding safety management standards observed in its entire operations in Mumbai. This reflects our efforts towards the sustainable safety management systems and practices followed.

Your Company has also received "Greentech Environment Excellence Award 2013-Gold Category" for your significant contribution for a pollution free environment in Mumbai and its suburbs.

In your Company's drive for continuous improvement in safety, the Company has undertaken various steps



Recognition for Safety Performance



Recognition for Environmental Contribution

such as celebrating "Work at Height" campaign; "Driving Safety" campaign with a series of workshops and seminars across the Company. Your Company also expects all of its employees and contractors to report near miss and hazards which are then investigated and lessons learnt are shared with all the concerned. Your Company also takes cognisance of the lessons learnt from other oil and gas companies across the world. To further inculcate safe driving behaviours, in addition to VTS, your Company conducts Defensive Driving Training (DDT) to all drivers and helpers of LCV, pool, MCC / EMG vehicles. Your Company has imparted DDT training to more than 450 contractor drivers who worked for MGL.

Your Company has a well-built fire management system in place in compliance with all national standards. A competent firefighting workforce is being deployed to all the Company's critical installations 24x7 to combat any fire emergency. The fire management system is being scrutinized by an external third party agency of international repute to check and validate the effectiveness of the system.

A series of mock drills were conducted in the presence and association with the MARG group members to demonstrate the MGL ERDMP (Emergency Response and Disaster Management Plan) and learn from the inputs of the MARG members for continual improvement.

Your Company is a customer centric company and therefore customer satisfaction and safety is of utmost importance to us. To facilitate this, a series of PNG safety awareness programs for domestic housing societies, commercial and industrial customers have been initiated. This helps in building brand value and raise customer awareness.

Security

The security management system is being audited periodically by a highly reputed third party agency to identify further areas of improvement in security and vigilance measures. Towards this direction, a central

security control room is developed and phase wise implementation of increased security system through CCTV monitoring of all critical installations and offices are undertaken.

Environment

The environment is both a brand image and a core area of concern to your Company. In addition to the process and procedures your Company has in place to meet the requirements of ISO 14001 accreditation, every year your Company celebrates World Environment Day wherein your employees rededicate themselves to protect the environment and promote the benefits of natural gas to the environment through public awareness campaigns.

(f) Project Monitoring:

Aligned with the vision imparted by your Company's management, Centralized Monitoring System (Web based application) has been devised for capturing and display of milestones / achievements pertaining to all ongoing projects for effective monitoring of cost and progress.

This web based application eliminated the former system of maintaining and compiling day to day progress at decentralized location for all key parameters (connection, conversion, CNG outlet status, PE and Steel laying etc) in excel sheet and need of sending information by emails for preparation of MIS report.

Web application facilitates the centralized pool for storage and display of MIS report in digital form. This has helped your Company in Go Green initiatives.

Continuous monitoring improved timely booking of consumption and fast processing of contractors bill for executed work. This has helped in prompt closing of financial accounts. It also helped in controlling other parameters of MIS like inventory level, number of MP damages, dry out of CNG outlets and CNG outlet related complaints.

Corporate Project Monitoring department is continuously working to improve process of project monitoring.

(g) Asset Integrity:

While working on the gas network, a number of activities of critical nature are being undertaken at site, which requires right competency and ability of the personnel performing it. In order to enable every user to understand these activities and enhance his / her knowledge, your Company has developed suitable E-learning modules in the form of short films comprising of animated slides using Code of Practice (COP) as the basis for the contents.



MGL's Geographical Information System (GIS)

Apart from above, your Company has also undertaken various tasks including the following:

- Developing online solution for reporting and effective tracking, monitoring of actions arising from various internal audits; updating the status of open actions online and keeping track of all open actions until they get closed.
- Developing anti rodent HDPE sleeve bends to prevent PE damages to minimize gas leakages within the residential society premises.
- In order to enable further improvements to achieve higher system integrity, the recommendations from an adequacy assessment on the MGL PE pipeline practices have been implemented.

Development and installation of plastic disk type pipe marker along the entire pipeline network enhancing its visibility and therefore better protection from third party activity.

(h) Future Outlook:

MGL has established its operations in one of the largest metro of India. The ever expanding customer base coupled with large unserved population provides a strong growth opportunity. Over the next 5 years, your Company would focus on increasing the penetration in the current authorized geographical area through higher number of domestic connections and more CNG stations.

MGL would also be participating in opportunities in the upcoming CGD bid rounds of PNGRB to grow outside its current area of operations.

AUTOMATION, INFORMATION TECHNOLOGY, METERING AND CRM IMPROVEMENTS:

(a) Automation and Information Technology:

Your Company has witnessed smooth operation of 3 ERP systems as well as IT systems during the year. Maximum uptime of IT infrastructure, systems and services could be achieved without any loss-time of operation or information security incidents.

Your Company enhanced the ERP systems by implementing add-on modules in Human Resources and also implementing complex meter control process. The mobility implementation has not only stabilized but also was strengthened with the implementation of collection which has helped significantly in debt management. Interfaces were developed for business associates, which has resulted in better control and effective time management.

Your Company has also developed an independent application to bring in effective management, control and enhanced decision making process. One such application is the "Audit - database", where in-house audits conducted by Safety and Asset Integrity department have been made on-line and is part of a relational database with the aid of client-server technology. A comprehensive training module has been developed by integrating with the e-Performance Management System. The system has proved to be a handy tool for measuring the effectiveness of both external and internal trainings. In its endeavour to have greater transparency in its processes, your Company has developed a centralized system of receipt and processing of invoices of its business associates adhering to the first-in-first-out principle and making the associates aware through the internet the status of their invoices.

Your Company has made significant continued progress in the implementation of SCADA covering all the four City Gate Stations, 109 CNG stations and 3 Sectionalising Valves (SV). Further work is in progress to cover an additional 34 CNG stations and 6 SVs.

The implementation of Data logger monitoring system for monitoring of District Regulating Stations (DRS) has been completed for thirty DRSs; the process is drawn for covering an additional number of fifteen DRSs enabling your Company to further strengthen the safety of operations and provide improved services to your consumers in a more efficient manner.

Further to the successful implementation of pilot projects in the premises of 1,425 domestic customers, your Company is now in the process of evaluating the feasibility of implementing Automated Meter Reading (AMR) system in the premises of additional 50,000 domestic customers.

Your Company is also in the process of reviewing a cost-effective solution for an AMR system for the Commercial consumers. The AMR project is primarily aimed to remotely acquire the actual meter readings instead of personal visit to the property. In addition, AMR has a functionality of detecting meter tampering instances.

(b) Metering:

Accuracy and efficiency improvement in domestic meter reading was achieved by adopting various practices such as rectification in large number of master data related to consumer address, meter serial number etc; introduction of system for cross-checking the authenticity of at least 10% door lock images, meter reading punching accuracy etc; checking meters of domestic consumers having consistently nil gas consumption; carrying on survey on gas geyser location in individual premises; providing list of non-functioning meters to O&M department for replacement; carrying out measurement of actual length of copper tubing in few domestic PNG installations, performance of Industrial and Commercial (I & C) meter reading activities, etc.

In addition to the above, to enable better monitoring and control over meter tampering, commercial meter reading software was modified to capture also the meter seal photo and enabled keying-in of meter seal number along with provision of Undertaking Form to ensure meter reader accountability with respect to 'no tampering' status at each location.

As way forward, following improvements are under implementation which would further enhance meter reading efficiency and authenticity:

- Meter reading software modification to include key features like display of detailed address at a glance, specific instruction to meter reader for individual consumer, etc.
- Replacement of joint ticketing from hard form to soft form.
- Change in ERP mapping for the address visible to meter readers, from Premise Master Data to Business Partner Master Data.

(c) CRM:

The overall Customer Satisfaction Index (CSI) survey carried out through a third party for CRM department increased to 78 from 70 for previous year.

This was a result of the efforts undertaken by the Company to enhance the service to customers, such as opening of 3 new Walk-in Centres (Sanpada, Andheri and Mira Road); issuing of bilingual (English and Marathi) leaflet with PNG bill explaining the details of billing methodology and various ways to provide meter reading; improvement of Call Management System in terms of resolution of chronic problem of 'notification not visible to responsible person'; modification of few report modules to facilitate easy and better monitoring by responsible persons; and reduction in call abandonment through deployment of Call Centre Customer Service Executives.



Consumer Outreach

Going forward, following improvements are under implementation for enhancing system efficiency:

- Replacement of call centre proprietary hardware, software of Interactive Voice Response System (IVRS) with non-proprietary system (capital cost being 1/6th of the existing system). Major benefits to accrue are: availability of higher number of user licenses at no extra cost, availability of outbound call management, provision of restricted period dialing facility on the contact numbers of Complaint Officer / Nodal Officer / Appellate Authority, customized 12 x 12 IVRS matrix to accommodate any future expansion requirements in the IVR tree, reduction in annual maintenance expenses.
- CRM mobile application which will be used by customers for providing meter reading with meter image, viewing/paying bills, logging service requests etc, downloading standard forms, calculating savings through CNG usage, etc which would be more elaborate and at the same time help MGL reduce SMS expenses.

QUALITY INITIATIVE:

Your Company has successfully completed the recertification audit for ISO 9001:2008 Quality Management System by M/s. DNV in April 2014. As a part of continual improvement, intelligent electro fusion machine has been introduced for fusion joints in PE network. This facilitates traceability of fusion joints records with data down loading facility. This machine also has a special feature like auto lock-out upon expiry of calibration date.

HUMAN RESOURCES DEVELOPMENT AND EMPLOYEE RELATIONS:

Your Company believes that Human Resource is its most valuable asset and has made all efforts to attract, train and retain talent during the year. Organization restructuring for growth, revisiting HR policies, facilitating conducive work environment, outbound training programs and



Fostering Employee Relationship - Long Service Awards Recipients with MD

engagement of employees were some of the initiatives undertaken by MGL.

A salary correction exercise was done after market benchmarking survey. Employees were also given appropriate annual salary increment linked to performance ratings in order to inculcate a performance driven work culture. Your Company has focused on implementing IT enabled HR systems and processes. Multi channel communication with employees on business related issues



19th Foundaiton Day Celebration

seeking their feedback facilitated strong employee connect and engagement. Employee welfare measures like post-retirement medical insurance, was also introduced.

On the diversity front, various initiatives were taken by your Company which contributed in



Outbound Training

strengthening bonding of employees and the extended family like participation of women employees in various initiatives including Women's Half-Marathon, out bound programs; encouraging employee participation in national level seminars, conferences; celebration of MGL's Foundation Day, Women's Day, with the involvement of the employees across all levels; and a common staff picnic for MGL parivaar.

At the year end, your Company had 478 employees on its rolls; 41 employees were recruited during the year 2013-14. The attrition rate was around 6%.

In terms of the provisions of Section 217(2A) of the Companies act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company continues to be a socially responsible corporate. During the year, your Company has engaged in various social causes focusing primarily in the areas of - Health, Education and Environment. Your Company has spent ₹ 81 Lakhs during the financial year 2013-14, ₹ 37.76 Lakhs during the financial year 2012-13 and ₹ 22 Lakhs during the financial year 2011-12 on the CSR initiatives. During the year, following CSR activities were undertaken by your Company:

- i. Six free Health Check-up camps for auto / taxi drivers and for local authorities including Traffic Police and Fire Brigade personnel in Mumbai, benefiting about 600 persons.
- ii. Free residential coaching facilities provided for meritorious children of drivers of auto, taxi and public transport buses to train them for pre-engineering entrance exams of prestigious engineering institutions. Three of the ten students provided with this educational support, were selected for IIT and NIT.
- iii. Infrastructural support in the form of central air-conditioning system provided to Mumbai's Taraporevala Aquarium.
- iv. Provided porta cabins for the traffic police not only for the larger interest of road safety but also from the perspective of their health and well being.

- v. Supporting ten visually handicapped students at the Victoria Memorial School for the Blind at Tardeo by bearing their boarding & lodging expenses.
- vi. Partnering with Don Bosco Technical Institute, to impart technical training to the under privileged youth in the plumbing trade to make them self-reliant.
- vii. Extended support for setting up remedial centre for upgrading of psychiatric child services in Nair Hospital, a reputed Government Hospital in Mumbai.
- viii. Spreading awareness on the ill - effects of tobacco through release of a multilingual pocket story book with wide distribution to auto / taxi / bus drivers and general public.
- ix. The use of CNG in Mumbai and its surrounding areas is helping to reduce the vehicular pollutants by over 1100 metric tons per day, thereby contributing significantly in the improvement of the overall health and environment of the city.



Traffic Police Health Camp

Keeping in view the provisions of the Companies Act 2013, your Company has formed a Board level CSR Committee and formulated a new CSR policy.

BOARD OF DIRECTORS:

After the adoption of previous year Annual Accounts on May 22, 2013, following developments have taken place in the composition of the Board of Directors of the Company: Mr. B.C. Tripathi, GAIL Nominee, resigned as Chairman and Director from the Board with effect from May 27, 2013. Mr. Pankaj Kumar Pal, GAIL Nominee, has been appointed as Additional Director on the Board effective from May 28, 2013. Mr. S. L. Raina, GAIL Nominee, has resigned as Director from the Board with effect from May 31, 2013. Mr. M. Ravindran, GAIL Nominee, has been appointed as Additional Director on the Board effective from June 01, 2013.

The appointments of Mr. Pankaj Kumar Pal and Mr. M. Ravindran as Directors of the Company have been



Leading Green Revolution – MGL Board of Directors and other Senior Members

confirmed by the shareholders of the Company during the 18th Annual General Meeting held on August 27, 2013.

Mr. William Allan Perrin, Technical Director, has resigned from the Board on February 14, 2014. Ms. Susmita Sengupta has been appointed as the new Technical Director on the Board effective from February 15, 2014.

Mr. Shaleen Sharma and Mr. Shahram Jahanbani, who retire from the Office of Director by rotation and being eligible, have offered themselves for re-appointment. Mr. Arun Balakrishnan and Mr. Santosh Kumar Vajpayee, Independent Directors of the Company, have given declarations that they meet the criteria of independence as provided under

Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing agreement. Keeping in view the relevant provisions of the Companies Act, 2013, Rules made thereunder and Schedule IV to the Act and Clause 49 of the Listing agreement, these Directors are being appointed as Independent Directors for the tenure of appointment as mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

The Board of Directors wish to place on record their appreciation for the invaluable contribution rendered by Mr. B. C. Tripathi, Mr. S. L. Raina and Mr. William Allan Perrin during their tenure.



Exploring Opportunities – MGL Participation in ANGVA 13

The Board of Directors welcome Mr. Pankaj Kumar Pal, Mr. M. Ravindran and Ms. Susmita Sengupta as the new Directors on the Board.

During the year under review, six meetings of the Board and five meetings of the Audit Committee were held.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company hereby state:

- that in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that 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 ended on March 31, 2014 and of the profit of the Company for the year under review;
- that 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; and,
- that the Directors have prepared the annual accounts for the Financial Year ended March 31, 2014 on a going concern basis.

CORPORATE GOVERNANCE:

The Company believes that good Corporate Governance practices shall enable the Management to direct and control the affairs of the Company in an efficient manner to achieve the Company's goals of maximizing value for all stakeholders. The Company has been voluntarily following, on a reasonable endeavor, the requirements of Clause 49 of Corporate Governance code as applicable to the listed companies. A separate report on Corporate Governance has been annexed to the Annual Report.

AUDITORS:

Statutory Auditors

M/s. Deloitte Haskins & Sells, the Statutory Auditor of the Company, will retire at the ensuing Annual General Meeting of your Company and, being eligible, offer themselves for re-appointment. The re-appointment, if made, for the Financial Year 2014-15, will have to be by an Ordinary Resolution as required under Section 139 of the Companies Act, 2013.

Cost Auditors

M/s. Dhananjay V. Joshi & Associates, Cost Auditors were appointed as Cost Auditor for the audit of cost records maintained by the company for the financial year ended March 31, 2013. The Audit Report was filed by the Cost Auditors on September 26, 2013 within the due date. In respect of the financial year ended March 31, 2014, M/s. Dhananjay V. Joshi & Associates, Cost Auditors were re-appointed. The due date for filing the Cost Audit report is September 27, 2014."

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

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as Annexure I.

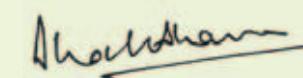


MGL review by Minister of Petroleum and Natural Gas

APPRECIATION AND ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their appreciation and sincere thanks to the Ministry of Petroleum & Natural Gas, Petroleum & Natural Gas Regulatory Board, Government of Maharashtra (GOM), Municipal Corporation of Greater Mumbai, Navi Mumbai, Thane, Mira-Bhayander, Kalyan-Dombivali, other State and Central Government Authorities, Mumbai Metropolitan Regional Development Authority (MMRDA), Maharashtra Industrial Development Corporation (MIDC), Police and Fire Brigade Authorities, Bankers, Contractors, Consultants, Consumers and Local Citizens for their whole hearted support and co-operation. The Board also record their appreciation to its Shareholders - GAIL (India) Limited, BG Group and GOM for their support and to the employees of the Company for their devotion, dedication and hard work for efficient operations and implementation of projects whilst maintaining momentum on your Company's growth.

For and on behalf of the Board of Directors



Place: Mumbai

Date: September 04, 2014

Shaleen Sharma
Chairman

ANNEXURE - I

Conservation of Energy, Technology Absorption:

Your Company has implemented a number of energy conservation measures at various operating installations. This has resulted in considerable savings and contributions to environmental improvements.

In addition, your Company has implemented energy conservation schemes at various CNG stations. It includes successful implementation of cascades of water capacity of 3000 litres, to reduce the frequency of start-stop of the compressor, thereby improving efficiency and also implementation of cascades of water capacity of 4500 litres, for transportation from mother station to daughter booster station through LCV, to reduce the frequency of movements of LCVs.

Solar Power Plant of 30kw is installed at CGS, Wadala which caters to the electrical lighting load of the office building.

Solar Power Plant of 20kw each is scheduled for installation at MGL Offices at Mahape and CGS, Taloja and CGS, Ambarnath.

Energy Conservation unit is installed at MGL House, Bandra Kurla Complex. This results into 14-15% reduction in energy consumption towards lighting load.

The requisite information with regard to Conservation, Technology Absorption in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is set out in a separate statement attached hereto (Form 'A' and 'B') and forms part hereof.

Foreign Exchange Earnings and Outgo:

During the year under review, the Company has not earned any foreign exchange and the expenditure in foreign exchange was ₹ 88.53 Crores. The details of foreign exchange outgo during the period ended March 31, 2014 are as under:

(₹ in Crores)

i)	Payment to foreign suppliers	10.60
ii)	Dividend	77.79
iii)	Travelling	0.0044
iv)	Others	0.14

FORWARD LOOKING STATEMENTS:

Statements in this report describing the Company's objectives, expectations or predictions may be forward looking. Forward looking statements are based on certain assumptions and expectations of future events and are subject to risk and uncertainties.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

Actual results may vary materially from those projected here.

The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include gas cost, determination of selling prices, changes in government regulations, tax laws, economic developments within the country and such other factors.



**Enhancing
safety
... building trust**



MGL adheres to best safety practices to provide safe and reliable gas supply to its customers.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

Sr. No.	Particulars	Current Year 2013-14	Previous Year 2012-13
Power and Fuel Consumption			
1.	Electricity		
a)	Purchased		
	Unit	89345860	85761457
	Total Amount (₹)	858311253	746753054
	Rate / Unit (₹)	9.61	8.55
b)	Own Generation		
(i)	Through Diesel Generator (CGS, Sion - MGL owned)		
	Unit (kwh)	192	640
	Unit per Ltr of Diesel Oil	0.914	1.340
	Cost / Unit (₹)	69.84	40.90
(ii)	Through Natural Gas Generator (CGS, Mahape - MGL owned)		
	Unit (kwh)	1080	192
	Unit per SCM of Natural Gas	1.279	1.13
	Cost / Unit (₹)	33.83	33.65
(iii)	Through Diesel Generator (hired at CGS, Taloja)		
	Unit (kwh)	-	4818
	Unit per Ltr of Diesel Oil	-	1.20
	Cost / Unit (₹)	-	44.41
(iv)	Through Natural Gas Generator (CGS, Taloja - MGL owned)		
	Unit (kwh)	27520	154
	Unit per SCM of Natural Gas	0.90	1.375
	Cost / Unit (₹)	48.05	27.64
(v)	Through Natural Gas Generator (CGS, Ambernath - MGL owned)		
	Unit (kwh)	13098	-
	Unit per SCM of Natural Gas	0.90	-
	Cost / Unit (₹)	48.11	-
(vi)	Through Natural Gas Generator (MSRTC, Khopat, Thane - MGL owned)		
	Unit (kwh)	380	-
	Unit per SCM of Natural Gas	0.62	-
	Cost / Unit (₹)	69.50	-
(vii)	Through Solar Power Plant (CGS, Sion)		
	Unit (kwh)	30291	15927
	Unit per Ltr of Fuel Oil / Gas	-	-
	Cost / Unit (₹)	-	-
(viii)	Through Steam		
	Unit (kwh)	-	-
	Unit per Ltr of Fuel Oil / Gas	-	-
	Cost / Unit (₹)	-	-
2.	Coal (specify quality and where used)		
	Quantity (tonnes)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹)	-	-
3.	Furnace Oil		
	Quantity (K. Ltrs)	-	-
	Total Amount (₹)	-	-
	Average Rate (₹)	-	-
4.	Others / Internal Generation (please give details)		
	Quantity	-	-
	Total Cost (₹)	-	-
	Rate / Unit (₹)	-	-

FORM B

Form for disclosure of particulars with respect to absorption

Sr. No.	Particulars	Current Year 2013 - 2014
1.	Research and Development (R&D)	
A	Specific areas in which R&D carried out by the Company	(a) Continuity with development of: <ul style="list-style-type: none"> - Automatic Meter Reading (AMR) System - PE Risers - Supervisory Control and Data Acquisition (SCADA) System - GIS Mobility - Anti-rodent initiatives - Improvement in plastic clamps for copper pipes
B	Benefits derived as a result of the above R&D	- Improvement in the existing business processes and working standards of a City Gas Distribution Project <ul style="list-style-type: none"> - Development of Natural Gas Market - Safe and effective operation of Gas Supply Network - Cost saving and Energy saving
C	Future plan of action	- Continuing Vendor Development (Regulators, Meters, PE pipes, etc) <ul style="list-style-type: none"> - Further development of SCADA system - PE Risers - Automater Meter Reading (AMR) technology - Solar Roof Top
D	Expenditure on R&D	
(a)	Capital	(a)
(b)	Recurring	(b)
(c)	Total	(c) No direct expenditure
(d)	Total R&D expenditure as a percentage of total turnover	(d)
2	Technology absorption, adaptation and innovation	
A	Efforts, in brief, made towards technology adaptation and innovation	- Further development of Standards, Specifications and Operating Procedures (from BG Group), adapted for local implementation
B	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.	- Safe operation of Gas Supply Network <ul style="list-style-type: none"> - Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meter - Growth strategy
C	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
(a)	Technology imported	(a) The main import has been technical advice on SynerGEE Gas Software
(b)	Year of import	(b) 2006-07
(c)	Has technology been fully absorbed?	(c) Yes
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	(d) -
3	Foreign Exchange Earning and Outgo	Current Year (₹ in thousands)
		Previous Year (₹ in thousands)
	Total Foreign Exchange earned	Nil
	Total Foreign Exchange outgo	885296
		760140

AUDITOR'S CERTIFICATE

TO THE BOARD OF DIRECTORS OF MAHANAGAR GAS LIMITED

As requested, this report is prepared solely to communicate to the management of **Mahanagar Gas Limited** ("the Company") on compliance by the Company, with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with companies listed on the Stock Exchanges in India. This report should not be construed as a report to the members in terms of Clause 49 of the Listing Agreement.

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of companies listed in India. The conditions of Clause 49 of the Listing Agreement are not applicable to Mahanagar Gas Limited being a non-listed company. However, the Company has voluntarily sought our certificate on compliance with the requirements if applicable to the Company.

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 compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the senior management, we certify that the Company has complied with the conditions (if they were deemed to apply) of Corporate Governance as stipulated in Clause 49 of the Listing Agreement except the following:

- The number of independent Directors in the Composition of the Board is lower than one-half of the total strength of the board, being the minimum required under proviso to sub clause I (A) (ii) of the Clause 49 of the Listing Agreement.
- The Company did not disclose its quarterly results on the website as required under sub-clause IV (G) (ii) of Clause 49 of the Listing Agreement.
- The Company did not conduct an audit committee within a time gap of four months as required under sub-clause II (B) of Clause 49 of the Listing Agreement.

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

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117365W)

Rupen K. Bhatt
(Partner)
(Membership No.: 46930)

Place : Mumbai
Date : June 18, 2014



**Nurturing
Dreams
...surging ahead**



MGL today is proud of its skilled workforce of over 450 professionals and an extended workforce on ground who are contributing towards the organizational goals, and are in turn adding to their personal growth and skill.



A REPORT ON CORPORATE GOVERNANCE

1.0 Company's Philosophy on Corporate Governance:

- 1.1 Mahanagar Gas Limited believes that the good Corporate Governance practices should be enshrined in all the activities of the organization. Corporate Governance is about the commitment of values and ethical business conduct. Transparency, integrity, fairness, accountability, equity are the corner stone of good Corporate Governance. The Company has decided to comply, to the extent feasible, though not mandatory, with the revised Corporate Governance Code, as contained in Clause 49 of the Listing Agreement effective from January 01, 2006.
- 1.2 Your Company, even being an unlisted Company, has always supported the principles of robust governance. Voluntarily, the report on Corporate Governance duly accompanied with Auditor's Certificate is being made part of the Annual Report to provide information regarding the governance of the Company to all the stakeholders consecutively for the last eleven years. This has enhanced the trust and confidence of the stakeholders. The Company has continually been strengthening business processes, systems, financial reporting, information disclosures, information security systems and standards of ethics.
- 1.3 Your Company has adopted practices which comprises constitution of Board Committees, representation of professionally qualified Non-Executive and Independent Directors on the Board, adequate and timely disclosure of information, timely discharge of statutory duties, proper composition of the Board of Directors, timely risk assessments and mitigation thereof, sound Health, Safety and Security Environment Management System and creating congenial working environment for its employees.
- 1.4 A Code of Conduct for the Board of Directors and senior Management personnel has been devised and implemented. A Whistle Blower Policy, non mandatory requirement, has been put in place in its pursuit to achieve excellence in the Corporate Governance in May 2007. The Company has provided open access to receive the grievances / feedback from the employees.

2.0 Board of Directors:

The current Policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management. As on March 31, 2014, the Board consists of 11 members, out of whom 2 are full time Directors and 9 are Non Executive Directors out of which 4 are Independent Non Executive Directors.

- 2.1 The Promoters viz GAIL (India) Limited (GAIL) and BG Asia Pacific Holdings Pte. Limited (BGAPHL) each nominates 3 Directors on the Board, one Executive and 2 Non Executive Directors. GAIL nominates Managing Director and BGAPHL nominates Technical Director on the Board. The Government of Maharashtra (GOM) nominates its Principal Secretary (Industries) on the Board of the Company.
- 2.2 The Board believes that the current size is appropriate. The Board through Nomination Committee periodically evaluates the size of the Board.
- 2.3 The agenda and the papers for consideration of the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take appropriate decisions.
- 2.4 The following developments have taken place with respect to the composition of the Board of Directors during the year ended March 31, 2014:

Sr. No.	Name of the Director	Effective Date
I. Resigned:		
	Mr. B. C. Tripathi	May 27, 2013
	Mr. S. L. Raina	May 31, 2013
	Mr. William Allan Perrin	February 14, 2014
II. Appointed:		
	Mr. Apurva Chandra, GOM Nominee	April 02, 2013
	Mr. Pankaj Kumar Pal, GAIL Nominee	May 28, 2013
	Mr. M. Ravindran, GAIL Nominee	June 01, 2013
	Ms. Susmita Sengupta, BG Nominee	February 15, 2014

- 2.5 The composition of our Board during the Financial Year 2013-14 is given in the table:

Sr. No.	Name of the Director	Position	No. of other Directorships held * (As on March 31, 2014)	No. of Chairmanship held in Committees** (As on March 31, 2014)	No. of Membership held in Committees** (As on March 31, 2014)
1.	Mr. B. C. Tripathi Chairman (up to May 27, 2013)	Promoter and Non Executive Director	-	-	-
2.	Mr. S. L. Raina (up to May 31, 2013)		-	-	-
3.	Mr. Shaleen Sharma Chairman (Director w.e.f. June 25, 2012 and as Chairman w.e.f. May 28, 2013)		-	-	-
4.	Mr. Shahram Jahanbani (w.e.f. October 25, 2012)		-	-	-
5.	Mr. P. K. Pal (w.e.f. May 28, 2013)		02	-	-
6.	Mr. M. Ravindran (w.e.f. June 01, 2013)		03	-	01
7.	Mr. V.C. Chittoda (w.e.f. April 22, 2010)	Promoter and Executive - Managing Director	-	-	-
8.	Mr. William Allan Perrin (up to February 14, 2014)	Promoter and Executive - Technical Director	-	-	-
9.	Ms. Susmita Sengupta (w.e.f. February 15, 2014)	Promoter and Executive - Technical Director	-	-	-
10.	Mr. Apurva Chandra (w.e.f. April 02, 2013)	Promoter and Non Executive Director, Government of Maharashtra Nominee	02	-	-
11.	Dr. Basudeb Sen (w.e.f. March 21, 2006)	Non Executive and Independent Director	03	-	02
12.	Mr. J. K. Jain (w.e.f. January 02, 2008)		02	-	02
13.	Mr. Santosh Kumar (w.e.f. July 21, 2011)		01	-	-
14.	Mr. Arun Balakrishnan (w.e.f. July 21, 2011)		09	02	05

Notes: * This includes number of directorship held in other Indian Public Limited Companies.

** For the purpose of reckoning the limit under Clause 49, Chairmanship / Membership of the Audit Committee and the Shareholder's Grievance Committee alone have been considered.

- 2.6 The composition of our Board as on March 31, 2014 is given in the table:

Sr. No.	Name of the Director	Position
1.	Mr. Shaleen Sharma (w.e.f. June 25, 2012)	BG Nominee and Chairman, MGL
2.	Mr. Shahram Jahanbani (w.e.f. October 25, 2012)	BG Nominee and Non-Executive Director, MGL
3.	Mr. P. K. Pal (w.e.f. May 28, 2013)	GAIL Nominee and Non-Executive Director, MGL
4.	Mr. M. Ravindran (w.e.f. June 01, 2013)	GAIL Nominee and Non-Executive Director, MGL
5.	Mr. V. C. Chittoda (w.e.f. April 22, 2010)	GAIL Nominee and Executive-Managing Director
6.	Ms. Susmita Sengupta (w.e.f. February 15, 2014)	BG Nominee and Executive-Technical Director
7.	Mr. Apurva Chandra (w.e.f. April 02, 2013)	Government of Maharashtra Nominee and Non-Executive Director
8.	Dr. Basudeb Sen (w.e.f. March 21, 2006)	Non-Executive Independent Director
9.	Mr. J. K. Jain (w.e.f. January 02, 2008)	Non-Executive Independent Director
10.	Mr. Santosh Kumar (w.e.f. July 21, 2011)	Non-Executive Independent Director
11.	Mr. Arun Balakrishnan (w.e.f. July 21, 2011)	Non-Executive Independent Director

- 2.7 Mr. V. C. Chittoda who was appointed as Managing Director of the Company with effect from April 22, 2013 up to March 31, 2014 has been re-appointed as Managing Director for the period April 01, 2014 till September 30, 2014. Mr. Chittoda's re-appointment and approval of terms and conditions for his appointment as Managing Director of the Company is subject to Shareholders' approval which will be sought in the forthcoming Annual General Meeting.
- 2.8 Ms. Susmita Sengupta was appointed as a new Whole Time Director of the company designated as Technical Director from the period February 15, 2014 till March 31, 2015 in place of Mr. William Allan Perrin. Ms. Sengupta's appointment and approval of terms and conditions for her appointment as Technical Director of the Company is subject to Shareholders' approval which will be sought in the forthcoming Annual General Meeting.
- 2.9 During the year, 6 meetings of the Board of Directors were held as per the details given below:

Sr. No.	Date of Board Meetings held during the Financial Year 2013-14	Place of Meetings
1.	April 02, 2013	Delhi
2.	May 22, 2013	Mumbai
3.	August 27, 2013	Mumbai
4.	November 15, 2013	Mumbai
5.	November 25, 2013	Mumbai
6.	March 25, 2014	Mumbai

2.10 The number of Board Meetings and the attendance of Directors during the year 2013-14 is given below:

Sr. No.	Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Attendance at last AGM (August 27, 2013)
1.	Mr. B. C. Tripathi (up to May 27, 2013)	6	2	NA
2.	Mr. S. L. Raina (up to May 31, 2013)	6	2	NA
3.	Mr. Shaleen Sharma	6	6	Yes
4.	Mr. Shahram Jahanbani	6	6	Yes
5.	Dr. Basudeb Sen	6	5	Yes
6.	Mr. J.K. Jain	6	6	Yes
7.	Mr. Santosh Kumar	6	5	Yes
8.	Mr. Arun Balakrishnan	6	6	Yes
9.	Mr. V.C. Chittoda	6	6	Yes
10.	Mr. William Allan Perrin (up to February 14, 2014)	6	4	Yes
11.	Mr. M. Ravindran (w.e.f. June 01, 2013)	6	4	Yes
12.	Mr. Pankaj Kumar Pal (w.e.f. May 28, 2013)	6	4	No
13.	Mr. Apurva Chandra (w.e.f. April 02, 2013)	6	2	No
14.	Ms. Susmita Sengupta (w.e.f. February 15, 2014)	6	1	NA

2.11 The details of the remuneration, paid / payable in respect of Managing Director and Technical Director for the year ended March 31, 2014 are as follows:

Sr. No.	Element of Remuneration	₹ in Lakhs			Total
		Mr. V. C. Chittoda Managing Director	Mr. William Allan Perrin (Technical Director up to February 14, 2014)	Ms. Susmita Sengupta (Technical Director w.e.f. February 15, 2014)	
1.	Salary	20.58	211.64	34.86	267.08
2.	Value of Benefits	28.98	58.81	29.09	116.88
	TOTAL	49.56	270.45	63.95	383.96

2.12 Sitting Fee: The Sitting fees have been paid to the following Independent Directors during the Financial Year 2013-14 as per the details given below:

Sr. No.	Name of the Director	₹ in Lakhs				Amount Paid @ ₹ 20,000 per Meeting
		Board	Audit Committee	Finance Committee	Other Committees	
1.	Dr. Basudeb Sen	5	5	-	4	2.80
2.	Mr. J. K. Jain	6	5	4	6	4.20
3.	Mr. Santosh Kumar	5	5	4	-	2.80
4.	Mr. Arun Balakrishnan	6	5	4	-	3.00
	TOTAL					12.80

2.13 Commission to Non-Executive Directors:

Apart from Sitting Fees and reimbursement of expenses for attending the meetings of the Board and / or Committees thereof, the Shareholders of the Company have approved payment of Commission to Non-Executive Directors at a rate not exceeding one percent (1%) of the net profits of the Company and calculated and divided amongst them in such manner as the Board may, from time to time, determine, for a period of five years commencing from the Financial Year 2011-12.

For the Financial Year 2012-13, the Board has approved the following method for calculating the amount to be paid as the Commission to Non-Executive Independent Directors for attending the Board Meeting in addition to ₹10,000.00 per meeting for chairing of Committee meetings:

- If the attendance in the Board Meeting is 80% or more
No. of Meeting HELD X ₹ 50,000.00, subject to the ceiling of ₹ 3,00,000.00
- If the attendance in the Board Meeting is less than 80%
No. of meeting ATTENDED X ₹ 50,000.00, subject to the ceiling of ₹ 3,00,000.00

Following are the details of Commission paid to the following Independent Directors for the Financial Year 2012-13:

Sr. No.	Name of the Director	Number of Board Meetings Attended	Amount Payable ₹ in Lakhs	Details of Chairing meeting			Amount Paid @ ₹10,000 per meeting Chaird	Total amount paid ₹
				Audit Committee	Finance Committee	Remuneration Committee		
1.	Dr. Basudeb Sen	3	1.50	4	-	1	0.50	2.00
2.	Mr. J. K. Jain	4	2.00	1	4	-	0.50	2.50
3.	Mr. Santosh Kumar	4	2.00	-	-	-	-	2.00
4.	Mr. Arun Balakrishnan	4	2.00	-	1	-	0.10	2.10
	Total							8.60

It is proposed to pay maximum commission of ₹3,50,000.00 (apart from sitting fees and reimbursement of expenses for attending the meetings of the Board and / or Committees thereof) on profits to each eligible Non-Executive Independent Directors for the financial year 2013-14 depending on their attendance at the Board meeting and ₹10,000.00 for chairing Committee meetings of the Company. The commission payable shall not exceed 1% of net profits of the company and is subject to approval of the Board.

3.0 Audit Committee:

The Audit Committee comprises of 6 Board Members. As on March 31, 2014 the Members were:

- Dr. Basudeb Sen, Chairman - Independent & Non Executive Director;
- Mr. J. K. Jain - Independent & Non Executive Director;
- Mr. Santosh Kumar - Independent & Non Executive Director;
- Mr. Arun Balakrishnan - Independent & Non Executive Director;
- Mr. S. L. Raina - GAIL Nominee & Non Executive Director (up to May 31, 2013);
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director ; and,
- Mr. Pankaj Kumar Pal - GAIL Nominee & Non Executive Director (w.e.f. June 01, 2013).

3.1 All Members of the Audit Committee are financially literate and majority of its Members have accounting or related financial management expertise.

3.2 During the year 2013-14, Mr. S.L Raina, GAIL Nominee & Non Executive Director, has ceased to be Member of Audit Committee since May 31, 2013.

3.3 Audit Committee Charter:

The 'Terms of Reference' of the Audit Committee include the matters specified in Clause 49 (II) of the Listing Agreement with the Stock Exchanges (though it is not applicable at the moment) and also as required under Section 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory / Internal Auditors and the Board of Directors of the Company. The function of Audit Committee among others includes the following:

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment and removal of Statutory Auditors, fixation of audit fee and also approval for payment for any other services.

Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Any changes in Accounting Policies and Practices.
- Major Accounting entries based on exercise of judgment by management.

- Qualifications in Draft Audit Report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their Subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.

Reviewing with the Management, external and internal Auditors, the adequacy of Internal Control Systems.

Reviewing the adequacy of internal audit function.

Discussion with External Auditors and Internal Auditors any significant findings and follow up thereon.

Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.

Reviewing the Company's financial and Risk Management Policies.

To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared Dividends) and Creditors.

The Audit Committee shall have the powers which should include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and,
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Company Secretary will be Secretary to the Audit Committee. All the Members of the Audit Committee are Non Executive Directors.

Managing Director and Technical Director are invited to the Audit Committee Meetings besides Internal Auditors, Statutory Auditors and Head of Finance.

3.4 Audit Committee attendance during the year 2013-14: During the year 5 meetings of the Audit Committee were held as per the details given below:

Sr. No.	Date of Audit Committee Meetings held during the Financial Year 2013-14	Place of Meetings
1.	April 01, 2013	Delhi
2.	May 21, 2013	Mumbai
3.	August 26, 2013	Mumbai
4.	November 14, 2013	Mumbai
5.	March 24, 2014	Mumbai

3.5 The number of Audit Committee Meetings held and the attendance of Members during the year 2013-14 is given below:

Sr. No.	Name of the Director	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
1.	Dr. Basudeb Sen	5	5
2.	Mr. J. K. Jain	5	5
3.	Mr. Santosh Kumar	5	5
4.	Mr. Arun Balakrishnan	5	5
5.	Mr. S. L. Raina (up to May 31, 2013)	5	2
6.	Mr. Shahram Jahanbani	5	5
7.	Mr. Pankaj Kumar Pal (w.e.f. June 01, 2013)	5	3

4.0 Finance Committee:

The Finance Committee comprises of 7 Board Members. As on March 31, 2014 the Members were:

- Mr. J. K. Jain, Chairman - Independent & Non Executive Director;
- Mr. Santosh Kumar - Independent & Non Executive Director;
- Mr. Arun Balakrishnan - Independent & Non Executive Director;
- Mr. S. L. Raina - GAIL Nominee & Non Executive Director (up to May 31, 2013);
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director;
- Mr. V.C. Chittoda - GAIL Nominee & Executive Director;
- Mr. William Allan Perrin - BG Nominee & Executive Director (up to February 14, 2014);
- Ms. Susmita Sengupta - BG Nominee & Executive Director (w.e.f. February 15, 2014); and,
- Mr. M. Ravindran - GAIL Nominee & Non Executive Director (w.e.f. June 01, 2013).

4.1 During the year 2013-2014, Mr. S. L. Raina, GAIL Nominee & Non Executive Director and Mr. William Allan Perrin, BG Nominee & Whole Time Director (designated as Technical Director) have ceased to be Members of Finance Committee since May 31, 2013 and February 14, 2014 respectively.

4.2 Finance Committee Charter:

The Finance Committee shall have the powers which should include the following:

- Review and recommend for approval to the Board - proposals on Borrowings and proposals on non-fund based facilities from banks.
- Review and recommend for approval to the Board - Business plan.
- Review and recommend for approval to the Board - capital expenditure proposals exceeding authority limit of SMG but not exceeding ₹50.00 Crores.
- Review and recommend for approval to the Board - treasury policies of MGL.
- Review and recommend for approval to the Board - Corporate Annual Budget and Revised Estimates.

Any other matter as may be directed by the Board of Directors.

4.3 Frequency of Meetings / Chairman / Quorum:

- The Committee will meet depending upon business needs. The Chairman of the Finance Committee shall be an independent Director. The quorum shall be at least four Directors including at least one Nominee Director each from both GAIL and BG.
- Sr. Vice President (Finance) will be a permanent invitee to the meetings of Finance Committee. Company Secretary will co-ordinate the meetings of the Finance Committee.
- The Minutes of the Finance Committee meeting shall be placed during the Board meetings.

4.4 Finance Committee attendance during the year 2013-14:

During the year, 4 meetings of the Finance Committee were held as per the details given below:

Sr. No.	Date of Finance Committee Meetings held during the Financial Year 2013-14	Place of Meetings
1.	May 21, 2013	Mumbai
2.	August 26, 2013	Mumbai
3.	November 14, 2013	Mumbai
4.	March 11, 2014	Mumbai

4.5 The number of Finance Committee Meetings held and the attendance of Members during the year 2013-14 is given below:

Sr. No.	Name of the Director	Number of Finance Committee Meetings held	Number of Finance Committee Meetings attended
1.	Mr. J. K. Jain	4	4
2.	Mr. S. L. Raina (upto May 31, 2013)	4	1
3.	Mr. Shahram Jahanbani	4	4
4.	Mr. Santosh Kumar	4	4
5.	Mr. Arun Balakrishnan	4	4
6.	Mr. V. C. Chittoda	4	4
7.	Mr. William Allan Perrin (upto February 14, 2014)	4	2
8.	Mr. M. Ravindran (w.e.f. June 01, 2013)	4	3
9.	Ms. Susmita Sengupta (w.e.f. February 15, 2014)	4	NIL

5.0 Remuneration Committee:

The Remuneration Committee comprises of 3 Board Members. As on March 31, 2014 the Members were:

- Dr. Basudeb Sen - Independent & Non Executive Director;
- Mr. S. L. Raina - GAIL Nominee & Non Executive Director (up to May 31, 2013);
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director; and,
- Mr. M. Ravindran - GAIL Nominee & Non Executive Director (w.e.f. June 01, 2013).

5.1 During the year 2013-14, Mr. S. L. Raina, GAIL Nominee & Non Executive Director, has ceased to be Member of Remuneration Committee since May 31, 2013.

5.2 Remuneration Committee Charter:

The Remuneration Committee would be reviewing the Terms and Conditions of services including remuneration in respect of Technical Director and Managing Director and submit their recommendations to the Board. The Remuneration Committee shall elect its own Chairman and quorum shall be minimum 3 Members. Nominee of GAIL or BGAPHL shall not participate in discussions in finalising the terms of Managing Director and Technical Director respectively. Company Secretary will co-ordinate the Meeting of the Remuneration Committee. The Minutes of the Committee Meeting shall be placed during the Board Meetings.

5.3 Remuneration Committee attendance during the year 2013-14:

During the year, 4 meetings of the Remuneration Committee were held as per the details given below:

Sr. No.	Date of Remuneration Committee Meetings held during the Financial Year 2013-14	Place of Meetings
1.	April 01, 2013	Mumbai
2.	May 21, 2013	Mumbai
3.	November 15, 2013	Mumbai
4.	March 24, 2014	Mumbai

5.4 The number of Remuneration Committee Meetings held and the attendance of Members during the year 2013-14 are given below:

Sr. No.	Name of the Director	Number of Remuneration Committee Meetings held	Number of Remuneration Committee Meetings attended
1.	Dr. Basudeb Sen	4	4
2.	Mr. S. L. Raina (up to May 31, 2013)	4	2
3.	Mr. Shahram Jahanbani	4	4
4.	Mr. M. Ravindran (w.e.f. June 01, 2013)	4	2

6.0 Nomination Committee:

The Nomination Committee comprises of 2 Board Members. As on March 31, 2014 the Members were:

- Mr. S. L. Raina - GAIL Nominee & Non Executive Director (up to May 31, 2013);
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director; and,
- Mr. M. Ravindran - GAIL Nominee & Non Executive Director (w.e.f. June 01, 2013).

During the year 2013-14, Mr. S. L. Raina, GAIL Nominee & Non Executive Director, has ceased to be Member of Nomination Committee since May 31, 2013.

6.1 Nomination Committee Charter:

- The purpose of the Nomination Committee is to ensure that the Board of Directors is properly constituted. To achieve this purpose, the Nomination Committee shall:
 - Identify prospective Director Nominees and recommend to the Board for their appointment;
 - Recommend to the Board the Director Nominees for constitution of the following Committees:
 - Audit Committee;
 - Nomination Committee;
 - Compensation Committee;
 - Investors Grievance Committee; and,
 - Share Transfer Committee (when required in future).

(ii) Nomination Committee Responsibilities and Authority: The Nomination Committee shall:

- Evaluate the current composition, organization and governance of the Board and its Committees, as well as determine future requirements and make recommendations to the Board for approval;

- Determine on an annual basis, desired Board qualifications, expertise, characteristics and conduct searches for potential Board Members with corresponding attributes. Evaluate and propose Nominees for election to the Board. In performing these tasks, the Committee shall have the sole authority to retain and terminate any Search Firm to be used to identify Director candidates;
- Evaluate and make recommendations to the Board concerning the appointment of Directors to the Board Committees as stated above;
- Evaluate and recommend termination of membership of individual Directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
- Review and re-examine the Terms of Reference and make recommendations to the Board for any proposed changes; and,
- In performing its responsibilities, the Committee shall have authority to obtain advice, reports or opinions from internal or external counsel and expert advisors.

(iii) Quorum of the Nomination Committee:

Presence of 2 Members or 1/3rd of the strength of the Committee, whichever is higher, shall constitute valid quorum for the Meetings of the Nomination Committee.

(iv) Frequency of the Meetings for Nomination Committee:

As and when required, Meetings of the Nomination Committee shall be held. At least one Meeting of the Nomination Committee shall be held in a Financial Year. However, no meetings were held during the Financial Year 2013-14.

The Minutes of the Meeting of the Nomination Committee shall be recorded in English and circulated in draft form to the Members for their comments.

The Minutes shall be finalized after receiving the comments and circulated to the Members of the Committee. A copy of the Minutes will be placed during the Meeting of the Board for taking the same on record.

7.0 Shareholders Issues and Grievances Redressal Committee:

The Shareholders Issues and Grievances Redressal Committee consists of 5 Board Members. As on March 31, 2014 the Members were:

- Mr. Apurva Chandra - GOM Nominee & Non Executive Director;
- Mr. M. Ravindran - GAIL Nominee & Non Executive Director;
- Mr. P. K. Pal - GAIL Nominee & Non Executive Director;
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director;
- Ms. Susmita Sengupta - BG Nominee & Executive Director (w.e.f. February 15, 2014);

- Mr. S. L. Raina - GAIL Nominee & Non Executive Director (upto May 31, 2013); and,
- Mr. William Allan Perrin - BG Nominee & Executive Director (upto February 14, 2014).

7.1 During the year 2013-14, Mr. S. L. Raina, GAIL Nominee & Non-Executive Director and Mr. William Allan Perrin, BG Nominee & Executive Director have ceased to be Members of Shareholders Issues and Grievances Redressal Committee since May 31, 2013 and February 14, 2014 respectively.

7.2 During the year 2013-14, no meetings of Shareholders Issues and Grievances Redressal Committee were held. The issue raised by Government of Maharashtra, one of the Shareholders of the Company, with regard to further equity has remained unresolved as on March 31, 2014 and the Committee is addressing the same.

8.0 IPO Sub-Committee:

The IPO Sub-Committee consists of 3 members of Board of Directors. As on March 31, 2014 following are the members of the IPO Sub-Committee:

- Mr. J. K. Jain - Chairman - Independent & Non Executive Director;
- Mr. Shahram Jahanbani - BG Nominee & Non Executive Director; and,
- Mr. P. K. Pal - GAIL Nominee & Non Executive Director. Company Secretary, MGL will act as a secretary to the Steering Committee.

8.1 IPO sub-Committee Charter:

- To decide on the activity plan and timelines for execution of the IPO.
- To advise the MGL board and the Promoters on necessary activities to be carried out to comply with the Companies Act, Securities Contracts (Regulation) Act, SEBI regulations and any other relevant Act/rules.
- To approve the appointment and decide on the scope and fees of the key advisors and intermediaries required for the delivery of the IPO. To authorise Execution Committee and MGL to appoint such approved advisors and intermediaries.
- To consider, deliberate and make recommendations to the MGL Board on the various issues involved in the process.
- To consider, deliberate and make decisions on the following issues based on recommendations from the IPO Execution Committee and the Promoters on various matters.
- To approve the appointment, roles and responsibilities, terms and conditions, scope of work of key advisors and intermediaries required for the successful completion of the IPO and to approve the process / procedure to be followed by the MGL Executive Management for their appointment.

- To administer the Contract with respect to various intermediaries involved including extension of time limit as may be necessary from time to time; and,
- To authorise any MGL Officer/s to execute the documents that are necessary to undertake the IPO Process effectively and efficiently and are within the ambit of the IPOSC.

Quorum of IPO sub-Committee:

A quorum for each meeting of the Steering Committee will be at least one-half of the members of the Steering Committee, provided that there shall be no quorum unless at least one representative of each of BG and GAIL (BG and GAIL, together, the Promoters) is present. Subject to applicable law, the members shall be entitled to attend and participate in meetings of the Steering Committee in person or by way of video or audio conferencing.

The Chairman of Steering Committee shall have power to consider any of the permanent invitee of a promoter company as a member in place of member of respective promoter company, in case of his absence, to fulfil the requirements of quorum in IPO sub-Committee meeting.

8.3 IPO sub-Committee attendance during the year 2013-14:

During the year, 6 meetings of the IPO sub-Committee were held as per the details given below:

Sr. No.	Date of IPO sub-Committee Meetings held during the Financial Year 2013-14	Place of Meetings
1.	June 25, 2013	Mumbai
2.	August 26, 2013	Mumbai
3.	October 07, 2013	New Delhi
4.	November 14, 2013	Mumbai
5.	February 17 and 18, 2014	Mumbai
6.	March 24, 2014	Mumbai

8.4 The attendance of Members during the IPO sub-Committee meetings held during the year 2013-14 are given below:

Sr. No.	Name of the Director	Number of IPO Sub-Committee Meetings held	Number of IPO Sub-Committee Meetings held
1.	Mr. J. K. Jain	6	6
2.	Mr. P. K. Pal	6	6
3.	Mr. Shahram Jahanbani	6	6

9.0 Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee was constituted by the Board of Directors during the Board Meeting held on March 25, 2014. The CSR committee consists of 3 Board Members. As on March 31, 2014 following are the members of the CSR Committee:

- Mr. Santosh Kumar - Independent & Non Executive Director;
- Mr. V. C. Chittoda - GAIL Nominee & Executive Director; and,
- Ms. Susmita Sengupta - BG Nominee & Executive Director.

9.1 CSR Committee Charter:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy and subsequent amendments as required from time to time and to ensure that it includes/indicates the activities to be undertaken by the Companies as specified in the Companies Act, 2013.
- To advise the Board of Directors of MGL on necessary activities to be carried out to comply with the Companies Act, 2013 and to monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To recommend the annual budget for the Corporate Social Responsibility activities of the Company in compliance of the relevant statutory provisions.
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- To assist the Board to ensure that the Company spends towards the Corporate Social Responsibility activities, in every financial year, such percentage of average net profit/amount as may be prescribed in the Companies Act, 2013 and/or Rules made there under.

9.3 No meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2013-14.

10.0 Disclosures regarding Appointment or re-Appointment of Directors:

10.1 Brief Biography of the Directors proposed to be appointed / re-appointed in the AGM have been annexed to the AGM Notice.

10.2 Director retiring by rotation: Mr. Shaleen Sharma and Mr. Shahram Jahanbani will retire by rotation from the Office of Director.

11.0 Functional Committees:

11.1 The Board, from time to time, constituted Functional Committees / sub-Committees. The Company has eight Functional Committees namely Audit, Finance, Human Resources, Nomination, Remuneration, Shareholders Issues & Grievances Redressal, IPO sub-Committee and Corporate Social Responsibility.

12.0 Code of Conduct:

12.1 The Company has formulated the required Code of Conduct for Board Members and senior Management Personnel. The Code has also been made applicable for all managerial personnel. The Company has posted the same on the web-site.

12.2 All the Board of Directors, senior Management Personnel and all employees in managerial cadre have submitted annual declaration with respect to the compliance of Code of Conduct in its entirety for the year 2013-2014.

13.0 Secretarial Compliance:

13.1 As a measure towards good Corporate Governance, your Company has been voluntarily carrying out Secretarial Compliance Audit consecutively for the Thirteenth Financial Year. The Compliance Certificate from the Secretary in whole time practice for the current Financial Year is attached to the Annual report.

14.0 CEO / CFO Certification:

14.1 CEO / CFO Certification, as required, have been made part of the Annual Report.

15.0 General Body Meetings:

15.1 Location and time where the last three Annual General Meetings of the Company were held are given below:

Year	Date	Time	Venue	Special Resolution passed
2012-13	August 27, 2013	1430 hours	Taj Lands End Hotel, Bandra, Mumbai	1. Appointment of Auditors, M/s. Deloitte Haskins & Sells 2. Alteration of Memorandum of Association 3. Commencement of Business specified in the Other Objects Clause of the Memorandum of Association of the Company.
2011-12	August 08, 2012	1430 hours	Taj Lands End Hotel, Bandra, Mumbai	1. Appointment of Auditors, M/s. Deloitte Haskins & Sells 2. Alteration of Articles of Association 3. Payment of Commission to Independent Non Executive Directors
2010-11	August 26, 2011	1430 hours	Taj Lands End Hotel, Bandra, Mumbai	1. Appointment of Auditors, M/s. Deloitte Haskins & Sells

15.2 There was no Extra-Ordinary General Meeting held during the last three years.

15.3 As at present, the provisions of the Companies Act, pertaining to the matters requiring approval of the Shareholders through 'Postal Ballot' are not applicable as on date as the Company shares are not listed on the Stock Exchange.

16.0 Disclosure:

16.1 Related party transactions are disclosed in the Notes to Accounts forming part of this Annual Report. There are no material pecuniary relationships or transactions with the Non Executive Directors. The practice of General Disclosure of the interest by the Directors pursuant to Section 299 of the Companies Act on an annual basis is being followed by the Company.

16.2 The Company has not entered into any materially significant contract with its Promoters, Directors or the Management or Relatives etc., during the financial year 2013-14, that may have potential conflict with the interests of the Company at large which in the judgment of the Board would affect the independence or judgment of the Directors.

16.3 The Company has not been imposed with any penalty / strictures by any Statutory Authority for noncompliance of any matter related to capital market.

16.4 The Company has a well defined risk management framework in place. The Company has procedures to periodically place before the Audit Committee and the Board the risk assessment and mitigation plans being followed by the Company.

17.0 Means of Communication:

17.1 Hard copy of Annual Report sent to each Shareholder by courier.

17.2 The management discussions and analysis report is a part of Directors' Report.

18.0 General Shareholder Information:

18.1 19th Annual General Meeting:

Date: September 29, 2014

Place: Mumbai

Time: 1100 hours

18.2 The Financial year of the Company is from 1st April to 31st March.

18.3 The face value of Equity Share is ₹10.00 per Equity Share. The Dividend payment for the Financial Year 2013-14 will be paid within the time period provided in the applicable laws.

18.4 At present, the shares of the Company are not listed on any Stock Exchange.

18.5 Being an unlisted company, the Company does not disclose its quarterly results on the website.

18.6 Shareholding Pattern as on March 31, 2014:

(i) GAIL : 44449960 Shares;

(ii) BGAPHPL : 44449960 Shares;

(iii) Government of Maharashtra : 441600 Shares; and,

(iv) Promoters and Associates : 80 Shares.

18.7 The Register of Members was not closed during the year by the Company.

19.0 Address for Correspondence:

Company Secretary, MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

20.0 Plant Locations:

City Gate Station, Opposite Anik Bus Depot, Sion, Mumbai - 400 022

City Gate Station, MIDC Mahape, Post-Koper Khairane, Navi Mumbai - 400 709

City Gate Station, Plot No: TAK-A, Ambernath Industrial Area, Ambernath - Badlapur Road, Village - Chikhaloli, Tal-Ambarnath, District - Thane

City Gate Station, Plot No: J-93/2, Taloja MIDC Area, Taloja, District - Raigad



**Sowing the seeds today
... for a greener tomorrow**

MGL is contributing significantly to a cleaner environment through various environment friendly activities.



Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, V.C. Chittoda, Managing Director and S.M. Ranade, Senior Vice President (Finance) of Mahanagar Gas Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ending March 31, 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 or contain statements that might be misleading; and,
 - (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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year ending March 31, 2014;
 - (ii) there have been no significant changes in accounting policies during the year ending March 31, 2014 which are required to be disclosed in the notes to the financial statements; and,
 - (iii) there are no 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: Mumbai
Date: May 20, 2014

V. C. Chittoda
Managing Director

S. M. Ranade
Senior Vice President (Finance)



Independent Auditors' Report to the members of Mahanagar Gas Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MAHANAGAR GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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.

AUDITORS' 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 the disclosures in the

financial statements. The procedures selected depend on the auditor's judgement, 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central

Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with, by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable

in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 46930)

Place: Mumbai
Date: June 18, 2014

Annexure to the Independent Auditors' Report of Mahanagar Gas Limited for the year ended 31st March, 2014 (Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

- (i) Having regard to the nature of the Company's business/activities, clause (xiii) of CARO is not applicable.
- (ii) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets and capital inventory.
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals of fixed assets during the year affecting the going concern status of the Company.
- (iii) (a) As explained to us, the inventories were physically verified by the management during the year at reasonable intervals. In respect of inventories lying with third parties, a substantial portion was physically verified or has been confirmed by third parties at the year end.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification as compared to book records.
- (iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the

register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (b), (c), (d), (f) and (g) of the Order are not applicable to the Company.

- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that many of the items purchased are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of gas and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that needed to be entered into the register, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- (vii) The Company has not accepted deposits from public. Accordingly, paragraph (vi) of the Order is not applicable to the Company.
- (viii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) (a) According to the information and explanations given to us and according to the books and

records as produced and examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) As at 31st March, 2014, according to the records of the Company and the information and explanations given to us, following are the particulars of dues on account of income tax, sales tax, service tax, and excise duty that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount Rs. Lakhs	Period to which the amount relates various years covering the period	Forum where pending
Central Excise Act, 1944	Excise Duty	103,55.05	March-2001 to March-2012	CESTAT
		9.94	May 2001 to January 2013	Commissioner (Appeals)
		1,395.56	April 2009 to May 2010	Upto Commissioner
Central Excise Act, 1944	Service Tax	719.41	April-2001 to September 2012	CESTAT
		0.18	October 2012 to October 2013	Commissioner (Appeals)
		66.60	April-2006 to March 2013	Upto Commissioner
Maharashtra Value Added Act, 2002	Sales Tax	124.40	April 2005 to March 2007 April 2009 to March 2010	CESTAT
Income Tax Act, 1961	Income Tax	87.79	Assessment year 2010-11	Commissioner (Appeals)

(xi) The Company does not have accumulated losses as at 31st March, 2014 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans from financial institution, bank or through

issue of debentures, hence the clause (xi) of CARO is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans, hence the clause (xvi) of CARO is not applicable to the Company.

(xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) In our opinion and according to the information and explanations given to us, as the company has not issued any debentures during the year, paragraph (xix) of the Order is not applicable to the Company.

(xx) The Company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Rupen K. Bhatt
Partner

(Membership No. 46930)

Place: Mumbai
Date: June 18, 2014



Empowering Community ... enriching lives



MGL is actively involved in initiatives that lead to overall development of the community at large.

Balance Sheet as at 31st March 2014

Particulars	Note No.	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
I - EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	8,934.16	8,934.16
(b) Reserves and surplus	3	1,20,761.65	1,09,328.64
		1,29,695.81	1,18,262.80
(2) Non-current liabilities			
(a) Long-term borrowings	4	798.33	983.33
(b) Deferred tax liabilities (Net)	5	8,870.91	7,967.55
(c) Other long-term liabilities	6	77.73	8.51
(d) Long term provisions	7	404.20	-
		10,151.17	8,959.39
(3) Current liabilities			
(a) Trade payables	8	10,637.13	8,639.20
(b) Other current liabilities	9	27,512.77	23,594.32
(c) Short-term provisions	10	19,433.17	18,841.24
		57,583.07	51,074.76
TOTAL		1,97,430.05	1,78,296.95
II - ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		98,711.77	92,108.09
(ii) Intangible assets		436.93	461.09
(iii) Capital Work-in-Progress		34,544.13	31,476.71
		1,33,692.83	1,24,045.89
(b) Long term loans and advances	12	2,360.68	2,535.37
(c) Other non-current assets	13	167.39	172.06
		1,36,220.90	1,26,753.32
(2) Current assets			
(a) Current investments	14	34,206.56	30,211.94
(b) Inventories	15	1,586.62	1,377.29
(c) Trade Receivables	16	10,926.32	9,018.73
(d) Cash and bank balances	17	8,880.62	6,602.31
(e) Short-term loans and advances	18	2,842.09	2,178.14
(f) Other current assets	19	2,766.94	2,155.22
		61,209.15	51,543.63
TOTAL		1,97,430.05	1,78,296.95
See accompanying notes forming part of the financial statements			
In terms of our report attached			
For Deloitte Haskins & Sells Chartered Accountants		For and on behalf of the Board of Directors	
Rupen K. Bhatt Partner	V C Chittoda Managing Director	Susmita Sengupta Technical Director	
Place : Mumbai Date : June 18, 2014	S M Ranade Chief Financial Officer	Alok Mishra Company Secretary	

Statement of Profit and Loss for the year ended 31st March 2014

Particulars	Note No.	For the year ended 31 st March 2014 ₹ Lakhs	For the year ended 31 st March 2013 ₹ Lakhs
I Revenue from operations:			
Sale of natural gas (gross)		2,03,523.10	1,63,426.60
Less: Excise Duty		16,659.13	13,656.35
Sale of natural gas (net)		1,86,863.97	1,49,770.25
Sale of pipes, fittings and other materials		124.31	83.04
Other operating income		1,526.97	1,584.50
		1,88,515.25	1,51,437.79
II Other income	20	3,449.42	3,151.91
III Total revenue (I + II)		1,91,964.67	1,54,589.70
IV Expenses:			
Cost of natural gas and traded items	21	1,14,443.72	81,219.42
Changes in inventories	22	(10.93)	(3.05)
Employee benefits expense	23	4,168.90	3,590.34
Finance costs	24	20.74	106.94
Depreciation and amortization expense	11	8,071.56	7,110.76
Other expenses	25	21,092.40	18,329.89
Total expenses		1,47,786.39	1,10,354.30
V Profit before tax (III- IV)		44,178.28	44,235.40
VI Tax expense:			
(1) Current tax		13,550.00	12,900.00
(2) In respect of prior year		-	24.00
(3) Deferred tax		903.36	1,460.81
Total		14,453.36	14,384.81
VII Profit after tax for the year (V - VI)		29,724.92	29,850.59
VIII Earnings per equity share (EPS) (of ₹ 10/- each)			
Basic and diluted (₹)	26.5	33.27	33.41
See accompanying notes forming part of the financial statements			
In terms of our report attached			
For Deloitte Haskins & Sells Chartered Accountants		For and on behalf of the Board of Directors	
Rupen K. Bhatt Partner	V C Chittoda Managing Director	Susmita Sengupta Technical Director	
Place : Mumbai Date : June 18, 2014	S M Ranade Chief Financial Officer	Alok Mishra Company Secretary	

Cashflow Statement for the year ended 31st March 2014

Particulars	For the year ended 31 st March 2014 ₹ Lakhs	For the Year ended 31 st March 2013 ₹ Lakhs
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per statement of profit and loss	44,178.28	44,235.40
Adjusted for:		
Depreciation and amortisation	8,071.56	7,110.76
Loss on sale / disposal of assets (net)	9.35	8.42
Loss on sale of investments (net)	4.59	-
Fixed assets written off	43.21	43.69
Provision for doubtful trade receivables & security deposits	(44.66)	(80.24)
Interest others	20.74	106.94
Dividend income on current investments - non trade	(2,238.45)	(2,000.68)
Interest on bank fixed deposits - gross	(595.79)	(475.98)
Operating profit before working capital changes	49,448.83	48,948.31
Adjusted for:		
(Increase)/decrease in inventories	(209.33)	49.97
(Increase)/decrease in trade receivables	(1,943.82)	(739.55)
(Increase)/decrease in long term loans and advances	(11.48)	251.36
(Increase)/decrease in other non current assets	4.67	(15.08)
(Increase)/decrease in short term loans and advances	(583.06)	1,040.74
(Increase)/decrease in other current assets	(486.46)	(392.95)
Increase/(decrease) in other long term liabilities	69.22	(46.70)
Increase/(decrease) in long term provisions	404.20	-
Increase/(decrease) in trade payables	1,997.93	4,985.28
Increase/(decrease) in other current liabilities	3,878.39	4,282.70
Increase/(decrease) in short term provisions	51.51	171.39
	3,171.77	9,587.16
Cash generated from operations	52,620.60	58,535.47
Income taxes paid	(12,856.01)	(14,646.82)
Net cash flow from operating activities	39,764.59	43,888.65
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,684.28)	(22,657.99)
Sale of fixed assets	4.43	166.28
Purchase of investments	(2,08,374.97)	(1,70,336.26)
Sale of investments	2,04,375.76	1,63,674.86
Bank balances not considered as cash and cash equivalents	(1,015.95)	(1,845.74)
Interest received	470.53	461.57
Dividend received	2,238.45	2,000.68
Net cash flow (used in) investing activities	(19,986.03)	(28,536.60)

Particulars	For the year ended 31 st March 2014 ₹ Lakhs	For the Year ended 31 st March 2013 ₹ Lakhs
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(185.00)	(63.76)
Dividend paid (Including Corporate Dividend Tax ₹ 2,657.13 Lakhs, previous year ₹ 2,174.02 Lakhs)	(18,291.91)	(15,575.26)
Interest Paid	(39.29)	(59.41)
Net cash flow (used in) financing activities	(18,516.20)	(15,698.43)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	1,262.36	(346.38)
Cash and cash equivalents at the beginning of the year	1,320.55	1,666.93
Cash and cash equivalents at the end of the year *	2,582.91	1,320.55
Cash and cash equivalents at the end of the year comprises*		
i) Cash on hand	0.13	0.32
ii) Cheques in hand	-	107.85
iii) Balances with banks		
In Current accounts	2,582.78	1,212.38
	2,582.91	1,320.55
See accompanying notes forming part of the financial statements		
The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard – 3 "Cash Flow Statement". In terms of our report attached		
For Deloitte Haskins & Sells Chartered Accountants	For and on behalf of the Board of Directors	
Rupen K. Bhatt Partner	V C Chittoda Managing Director	Susmita Sengupta Technical Director
Place : Mumbai Date : June 18, 2014	S M Ranade Chief Financial Officer	Alok Mishra Company Secretary

NOTE - 1
Significant Accounting Policies
a. Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on an accrual basis, in accordance with the generally accepted accounting principles and applicable accounting standards as notified under the Companies Act, 1956 ('the Act') (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and relevant provisions of the Companies Act, 1956 ('the Act') to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

c. Fixed Assets
Cost

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of fixed assets up to the date the assets are commissioned. In case of commissioned assets where final payment to the contractors is pending, capitalisation is made on provisional basis subject to necessary adjustment in cost and depreciation in the year of settlement.

Commissioning

Gas distribution systems are treated as commissioned when supply of gas commences to the individual points.

Intangible Assets

Intangible assets like software / licenses which are expected to provide future enduring economic benefits are capitalised as Intangible Assets.

Capital Work-in-Progress

Capital Work-in-Progress includes, expenditure incurred on assets, which are yet to be commissioned. Capital Inventory included in Capital Work-in-Progress comprises stock of capital items / construction materials at stores and with contractors / processors.

d. Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line method at rates specified and in the manner prescribed by Schedule XIV to the Companies Act, 1956 except for the following fixed assets and intangible assets which are depreciated / amortised over their useful life as determined by the management:

Roads and fences	: 30 years
Bunk houses	: 5 years
Online compressors and dispensers	: 10 years
Intangible Assets (Software / Licenses)	: 6 years
Leasehold Land	is amortised over the lease period.

e. Investments

Current investments carried individually are valued at the lower of cost or fair value.

f. Inventories

Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis.

g. Foreign Exchange Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary items are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain/loss arising on account of differences in foreign exchange rates on settlement/translation of monetary items is recognised in the Statement of Profit and Loss.

h. Revenue Recognition

Sale is recognised on supply of natural gas to customers by metered/assessed measurements. Compensation receivable from customers with respect to shortfall in minimum guaranteed offtake of gas are recognised on contractual basis and delayed payment charges are recognised on receipt basis in view of uncertainty of collection.

i. Employee Benefits
Defined Contribution Plan

Company's contribution to provident fund is recognised on accrual basis in the Statement of Profit and Loss.

Defined Benefit Plan

Employee Benefits under Defined Benefit Plans in respect of gratuity, compensated absence, post retirement medical scheme and long service award are recognised based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as Income or Expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and the terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Provision for gratuity as per actuarial valuation is funded with 'Life Insurance Corporation of India'.

j. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is measured using the tax rates and the Tax Laws enacted or substantially enacted as at the reporting date. Deferred Tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

k. Operating Leases

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expense on accrual basis as per the lease agreements.

Operating lease arrangements for premises (residential, office, godowns etc.), which are not non-cancellable, range between eleven months to three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

l. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

m. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

Notes on financial statements for the year ended 31st March 2014

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 2		
SHARE CAPITAL		
Authorised		
130,000,000 (previous year 130,000,000) Equity Shares of ₹ 10/- each	13,000.00	13,000.00
Issued, Subscribed and Fully Paid up		
89,341,600 (previous year 89,341,600) Equity Shares of ₹ 10/- each fully paid up.	8,934.16	8,934.16

Details of Shareholders holding more than 5% shares		
GAIL (India) Limited		
Number of Shares	4,44,49,960	4,44,49,960
Percentage	49.75%	49.75%
BG Asia Pacific Holding Pte. Ltd., Singapore		
Number of Shares	4,44,49,960	4,44,49,960
Percentage	49.75%	49.75%
The Company has only one class of shares having par value at ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.		

NOTE - 3		
RESERVES AND SURPLUS		
General Reserve		
Opening Balance	18,203.81	15,203.81
Add: Transferred from surplus in Statement of Profit and Loss	2,980.00	3,000.00
Closing Balance	21,183.81	18,203.81
Surplus in Statement of Profit and Loss		
Opening Balance	91,124.83	82,566.15
Add: Net Profit transferred from Statement of Profit and Loss	29,724.92	29,850.59
	1,20,849.75	1,12,416.74
Less: Proposed Dividend	8,934.16	8,934.16
Proposed Special Dividend	6,700.62	6,700.62
Corporate Dividend Tax	2,657.13	2,657.13
Transfer to General Reserve	2,980.00	3,000.00
	21,271.91	21,291.91
Closing Balance	99,577.84	91,124.83
	1,20,761.65	1,09,328.64

NOTE - 4		
LONG TERM BORROWINGS		
Unsecured		
Sales Tax Deferred Loan (Interest Free)	798.33	983.33
	798.33	983.33

Note: Sales tax deferment is in respect of Sales Tax collected for the period 1996-97 to 2000-01. The same is to be repaid in 6 equal annual instalments on 1st April every year starting from the 14th year from the year of availment of the Loan.

Notes on financial statements for the year ended 31st March 2014

Particulars		As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 5			
DEFERRED TAX LIABILITIES			
Deferred tax liabilities		9,362.30	8,332.83
Deferred tax assets		491.39	365.28
Deferred tax liability (Net)		8,870.91	7,967.55
NOTE:			
Major components of deferred tax assets/liabilities arising on account of timing difference comprises of the following			
		(₹ Lakhs)	(₹ Lakhs)
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of fixed assets		9,362.30	8,332.83
Total Deferred Tax Liability	A	9,362.30	8,332.83
Tax effect of items constituting deferred tax assets			
Provision for doubtful trade receivables / deposits		97.90	113.08
Disallowances under Section 43B of the Income Tax Act, 1961		384.21	243.51
Others		9.28	8.69
Total Deferred Tax Assets	B	491.39	365.28
Net Deferred Tax Liability	A - B	8,870.91	7,967.55

NOTE - 6			
OTHER LONG TERM LIABILITIES			
Trade Payables		0.21	0.43
Trade/Security Deposits Received		77.52	8.08
		77.73	8.51

NOTE - 7			
LONG TERM PROVISIONS			
Provision for other employee benefits		404.20	-
		404.20	-

NOTE - 8			
TRADE PAYABLES			
Dues of Micro, Small and Medium Enterprises (Note 27.3)		301.63	382.26
Dues of others		10,335.50	8,256.94
		10,637.13	8,639.20

NOTE - 9			
OTHER CURRENT LIABILITIES			
Security Deposit from Customers		21,603.39	18,412.03
Trade/Security Deposits Received		531.34	454.89
Advances received from Customers		1,581.45	1,165.61
Statutory Remittances (VAT,ESIC,TDS,PF etc.)		1,427.49	1,245.48
Capital Creditors		2,164.79	2,106.18
Other Payables (includes Earnest Money Deposits, Interest provision etc.)		204.31	210.13
		27,512.77	23,594.32

NOTE - 10			
SHORT TERM PROVISIONS			
a. Provision for Employee Benefits			
Provision for Compensated Absences		518.16	478.31
Provision for Other employee benefits		11.66	-
b. Provision Others			
Provision for Tax (net of advance tax)		611.44	71.02
Provision for Proposed Dividend on Equity Shares		15,634.78	15,634.78
Corporate Dividend Tax on Proposed Dividend		2,657.13	2,657.13
		19,433.17	18,841.24

Notes on financial statements for the year ended 31st March 2014

Note - 11 FIXED ASSETS

(₹ Lakhs)

Description of Assets	Gross Block		Accumulated Depreciation and Amortisation		Net Block	
	As at 1 st April 2013	Additions / Deductions / Adjustments	As at 31 st March 2014	As at 1 st April 2013	As at 31 st March 2014	As at 31 st March 2013
Tangible Assets						
Leasehold Land (Refer Note 1)	3,162.94	70.13	3,233.07	216.29	2,971.39	2,946.65
	3,271.61	25.83	3,162.94	197.12	2,946.65	3,074.49
Buildings, Bunk houses	2,147.83	-	2,147.83	192.66	1,665.73	1,955.17
	1,479.09	668.74	2,147.83	164.90	1,955.17	1,314.19
Roads & Fences	441.48	-	441.48	61.84	364.90	379.64
	255.36	186.12	441.48	49.11	379.64	206.25
Electrical Installations	815.67	99.88	915.55	126.77	742.50	688.90
	398.68	416.99	815.67	81.44	688.90	317.24
Plant & Machinery - Gas Distribution System						
	1,26,123.90	13,140.10	1,39,003.15	42,230.65	89,734.40	83,893.25
	1,05,981.01	21,262.49	1,26,123.90	36,655.73	83,893.25	69,325.28
- Others	1,067.02	1,054.95	2,121.97	269.13	1,798.54	797.89
	689.23	377.89	1,067.02	248.55	797.89	440.68
Computers	1,115.63	91.24	1,198.30	810.98	308.30	304.65
	1,087.29	90.40	1,115.63	767.93	304.65	319.36
Office Equipments	943.91	74.42	1,012.86	173.62	786.27	770.29
	628.54	328.40	943.91	142.19	770.29	486.35
Communication Systems	182.48	1.23	183.71	67.80	107.96	114.68
	155.63	26.85	182.48	58.04	107.96	97.59
Furniture and Fixtures	474.31	8.48	480.42	217.34	231.78	256.97
	439.24	54.27	474.31	199.77	231.78	239.47
Total - Tangible Assets	1,36,475.17	14,540.43	1,50,738.34	44,367.08	98,711.77	92,108.09
	1,14,385.68	23,437.98	1,36,475.17	38,564.78	92,108.09	75,820.90
Intangible Assets						
Softwares / Licences	894.70	124.44	1,019.14	433.61	436.93	461.09
	846.88	47.82	894.70	296.78	461.09	550.10
Total - Intangible Assets	894.70	124.44	1,019.14	433.61	436.93	461.09
	846.88	47.82	894.70	296.78	461.09	550.10
Grand Total	1,37,369.87	14,664.87	1,51,757.48	44,800.69	99,148.70	92,569.18
	1,15,232.56	23,485.80	1,37,369.87	38,861.56	92,569.18	76,371.00
Capital Work-in-Progress						
					34,544.13	31,476.71
Total Fixed Assets					1,33,692.83	1,24,045.89
					1,24,045.89	1,08,554.02

NOTES: 1) During the previous year leasehold land at Belapur (₹ 134.50 Lakhs) has been returned back at book value to GAIL as the title deeds in respect of the leasehold land could not be transferred to Company in terms of agreement dated April 2, 1996.

2) Capital Work-in-Progress includes Capital inventory of ₹ 7,888.41 Lakhs (Previous Year ₹ 6,466.31 Lakhs)

a) Capital inventory includes material with contractors/processors ₹ 1,018.07 Lakhs (previous year ₹ 1,121.97 Lakhs)

b) Capital inventory includes material in transit ₹ 152.79 Lakhs (previous year Nil).

3) Additions to Fixed Assets are net of ₹ 461.40 Lakhs (previous year ₹ 366.31 Lakhs) on account of recoveries from certain PNG customers towards the cost of installation of PNG pipeline network.

4) Figures in *italics* represent previous year's figures.

Notes on financial statements for the year ended 31st March 2014

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 12		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
a. Capital Advances	256.45	289.05
b. Security Deposits	820.41	1,160.99
c. Prepaid Expenses	818.28	465.10
d. Advance Income Tax (net of provision)	456.46	610.03
e. Employee/Vendor advances	9.08	10.20
	2,360.68	2,535.37

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 13		
OTHER NON CURRENT ASSETS		
Receivables from customers, Unsecured Considered Good	166.97	171.57
Other Bank Balances (Non Current)	0.42	0.49
	167.39	172.06

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 14		
INVESTMENTS (Non Trade)		
CURRENT INVESTMENTS - Unquoted (At lower of Cost and Fair Value)		
Name of Mutual Fund Scheme	Face Value ₹	Number of Units
Birla Sunlife Cash Plus - Daily Dividend - Reinvestment	100	-
		(49,98,833)
Baroda Pioneer Liquid Fund - Plan A	1,000	1,64,876
		(Nil)
Canara Robeco Liquid - Regular Plan -Daily Div Reinvest	1,000	-
		(3,56,837)
DSP Black Rock Liquidity Fund - Daily Dividend	10	-
		(5,01,802)
HSBC Cash Fund - Daily Dividend - Reinvestment	10	-
		(95,019)
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	100	40,01,968
		(Nil)
LIC Nomura MF Liquid Fund - Dividend Plan	1,000	4,56,952
		(Nil)
JP Morgan India Liquid Fund - Super Inst - Daily Dividend Reinvestment	10	5,05,33,000
		(5,20,76,270)
Kotak Floater - Short Term - Daily Dividend	1,000	4,97,086
		(5,28,852)
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option	1,000	2,62,967
		(3,32,517)
SBI Premier Liquid Fund Regular - Daily Dividend Reinvestment	1,000	93,279
		(Nil)
Tata Money Market Fund - Plan A - Daily Dividend	1,000	4,34,877
		(Nil)
Reliance Quarterly Interval Fund - Series II - Growth Plan Growth Option	10	68,51,442
		(Nil)

Notes on financial statements for the year ended 31st March 2014

Particulars			As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
SBI DFS - 90 Days - 85 - Reg - Dividend	10	1,00,00,000	1,000.00	-
		(Nil)		
SBI DFS - 90 Days - 84 - Reg - Dividend	10	1,00,00,000	1,000.00	-
		(Nil)		
ICICI Prudential Interval Fund II Quarterly Interval Plan C - Regular Plan - Growth	10	95,33,797	1,000.00	-
		(Nil)		
			34,206.56	30,211.94

Note: Figures in bracket represent previous year's figures.

NOTE - 15				
INVENTORIES (at lower of cost and Net Realisable Value)				
Stock in Trade:				
Stock of Natural Gas			36.70	25.77
Stores and spares			1,549.92	1,341.33
Stores and spares (in transit)			-	10.19
			1,586.62	1,377.29

NOTE - 16				
TRADE RECEIVABLES				
a. Trade Receivables outstanding for a period exceeding Six months from the date they were due for payment				
Secured, Considered Good			-	7.54
Unsecured, Considered Good			282.96	232.18
Doubtful			112.23	86.87
			395.19	326.59
Less: Provision for Doubtful Debts			112.23	86.87
			282.96	239.72
b. Other Trade Receivables				
Secured, Considered Good			895.98	737.01
Unsecured, Considered Good			9,747.38	8,042.00
Doubtful			10.87	-
			10,654.23	8,779.01
Less: Provision for doubtful debts			10.87	-
			10,643.36	8,779.01
			10,926.32	9,018.73

NOTE - 17				
CASH AND BANK BALANCES				
A. Cash and cash equivalents				
i) Cash on Hand			0.13	0.32
ii) Cheques in Hand			-	107.85
iii) Balances with Banks				
In Current Accounts			2,582.78	1,212.38
Total - Cash and cash equivalents (A)			2,582.91	1,320.55
B. Other Bank Balances				
a. in Deposit Accounts with Original Maturity is more than 3 months but less than 12 months			3,200.00	3,400.00
b. in Deposit Accounts with Original Maturity is more than 12 months			3,000.00	1,800.00

Notes on financial statements for the year ended 31st March 2014

Particulars			As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
c. Margin Money Deposit (Under Lien)			98.13	82.25
			6,298.13	5,282.25
Less: Transferred to Other Non-Current Assets				
Other Bank Balances			0.42	0.49
Total - Other bank balances (B)			6,297.71	5,281.76
Total Cash and bank balances (A+B)			8,880.62	6,602.31

Note: Balance with banks - Other earmarked accounts include ₹ 97.71 Lakhs (as at 31st March, 2013 ₹ 81.76 Lakhs) which have restriction.

NOTE - 18				
SHORT-TERM LOANS AND ADVANCES				
Security Deposits				
Unsecured, Considered Good			1,446.14	984.61
Considered Doubtful			164.93	245.82
			1,611.07	1,230.43
Less: Provision for Doubtful Deposits			164.93	245.82
			1,446.14	984.61
Unsecured, Considered Good				
Prepaid Expenses			493.87	391.27
Balance with Government Authorities (Central Excise, Service Tax, VAT, etc)			869.63	682.45
Other Loans and Advances			32.45	119.81
			2,842.09	2,178.14

NOTE - 19				
OTHER CURRENT ASSETS				
a. Unbilled Revenue, Unsecured Considered Good			2,454.53	1,967.44
b. Receivables from customers				
Unsecured, Considered Good			68.02	68.65
c. Interest Accrued on Fixed Deposits			244.39	119.13
			2,766.94	2,155.22

NOTE - 20				
OTHER INCOME				
Interest on Fixed Deposits - Gross			595.79	475.98
Dividend on current investments - non trade			2,238.45	2,000.68
Other miscellaneous income			615.18	675.25
			3,449.42	3,151.91

NOTE - 21				
COST OF NATURAL GAS AND TRADED ITEMS				
Purchase Cost of Natural Gas and Other Charges @			1,14,534.46	81,247.41
Less: Captive Consumption			194.87	100.24
			1,14,339.59	81,147.17
Purchase of pipes, fittings and other materials			104.13	72.25
			1,14,443.72	81,219.42

@ Purchase of Natural Gas and Other Charges net off of ₹ Nil (Previous Year ₹ 103.32 Lakhs) on account of downward revision in Pipeline tariff for earlier years.

Notes on financial statements for the year ended 31st March 2014

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 22		
CHANGES IN INVENTORIES		
Change in Stock of Natural Gas and Traded Items:		
Opening Stock	25.77	22.72
Closing Stock	36.70	25.77
(Increase) / Decrease in stock	(10.93)	(3.05)

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Allowances	4,768.26	4,440.35
Contribution to Provident Fund and Other Funds	226.56	213.10
Gratuity (Note 26.1)	16.24	172.40
Staff Welfare	594.40	113.49
Secondment Charges	373.57	282.41
	5,979.03	5,221.75
Less: Transfer to Capital Work-in-Progress	1,810.13	1,631.41
	4,168.90	3,590.34

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 24		
FINANCE COSTS		
Interest - Others	20.74	106.94
	20.74	106.94

Particulars	As at 31 st March 2014 ₹ Lakhs	As at 31 st March 2013 ₹ Lakhs
NOTE - 25		
OTHER EXPENSES		
Power and Fuel	8,733.00	7,467.53
Lease Charges	187.52	128.32
Stores and Spares consumed	1,437.45	1,434.14
Insurance	149.62	132.49
Rent	1,485.81	1,391.84
Rates and Taxes	155.97	136.81
Repairs to Buildings	2.06	2.66
Repairs to Plant and Machinery	1,977.84	1,706.84
Bad Trade Receivables written off	37.43	96.61
Provision for doubtful trade receivables (Net)	36.23	(33.71)
Loss on Sale / Disposal of Assets (Net)	9.35	8.42
Loss on Sale of Investments	4.59	-
Fixed Assets Written Off	43.21	43.69
Exchange Fluctuation (Net)	98.27	35.43
Miscellaneous Expenses	7,057.06	6,110.04
	21,415.41	18,661.11
Less: Transfer to Capital Work-in-Progress	323.01	331.22
	21,092.40	18,329.89

NOTE - 26
Disclosures under Accounting Standards
26.1 Employee Benefit Plan
Defined Contribution Plans

The Company makes Provident Fund contributions, which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ **226.56 Lakhs** (Year ended 31st March, 2013 ₹ 213.10 Lakhs) as an expense and included in Note 23 – 'Contribution to Provident Fund and Other Funds' in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Long Service Awards are recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

Defined Benefit Plan

The Company offers the following employee benefit schemes to its employees:

- Gratuity (included as part of Note 23 Employee benefits expense)
- Post-retirement medical benefit plan (included as part of Note 23 Employee benefits expense)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Components of employer's expenses

Particulars	For the year ended 31 st March, 2014		For the year ended 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Current Service Cost	68.13	295.97	45.44
Interest Cost	42.92	-	29.99
Expected return on plan assets	(36.15)	-	(24.70)
Actuarial (gain)/loss	(58.66)	0.80	121.67
Total expense recognised in the Statement of Profit and Loss	16.24	296.77	172.40

Actual contribution and benefit payments for the year

Particulars	As on 31 st March, 2014		As on 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Actual benefit payments	31.68	0.80	18.36
Actual contributions	-	-	150.00

Net Asset/ (Liability) recognised in the Balance Sheet

(₹ Lakhs)

Particulars	As on 31 st March, 2014		As on 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Present value of defined benefit obligation	(550.27)	(295.97)	(536.54)
Fair value of plan assets	449.40	-	451.90
Net Asset/ (Liability) recognised in the Balance Sheet	(100.87)	(295.97)	(84.64)

Change in defined obligation (DBO) during the year

(₹ Lakhs)

Particulars	As on 31 st March, 2014		As on 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Present value of DBO at beginning of the year	536.54	-	352.82
Current Service Cost	68.13	295.97	45.44
Interest Cost	42.92	-	29.99
Actuarial (gain)/loss	(65.64)	0.80	126.65
Benefits paid	(31.68)	(0.80)	(18.36)
Present value of DBO at the end of the year	550.27	295.97	536.54

Change in the fair value of Asset during the year

(₹ Lakhs)

Particulars	As on 31 st March, 2014		As on 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Plan assets at beginning of the year	451.90	-	290.58
Expected return on plan assets	36.16	-	24.70
Actuarial gain/(loss)	(6.98)	-	4.98
Employer contribution	-	-	150.00
Benefits paid	(31.68)	-	(18.36)
Plan assets as at year end	449.40	-	451.90
Actual return on plan assets	29.17	-	29.68

Composition of the plan assets is as follows:

Particulars	As on 31 st March, 2014
	Gratuity
Government bonds	47%
Others (Insurer Managed Funds)	53%

§ Category-wise composition of plan assets is not available with the company for the previous year.

Actuarial assumptions

Particulars	As on 31 st March, 2014		As on 31 st March, 2013
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity
Discount rate (per annum)	9.31%	9.31%	8.00%
Expected rate of return on plan assets (per annum)	9.31%	NA	8.00%
Expected rate of escalation in salary (per annum)	7.50%	NA	7.50%
Attrition	1.00%	1.00%	1.00%
Medical cost inflation		3.00%	
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year (₹ Lakhs)	168.99	NA	95.56

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(₹ Lakhs)

Effect of a 1% change in healthcare cost	31 st March, 2014		31 st March, 2013	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Closing balance of obligation	371.72	238.25	NA	NA

Experience Adjustment

(₹ Lakhs)

Gratuity	As on 31 st March, 2014	As on 31 st March, 2013	As on 31 st March, 2012	As on 31 st March, 2011	As on 31 st March, 2010@
Present value of DBO	550.27	536.54	352.82	226.08	NA
Fair value of plan assets	449.40	451.90	290.58	214.28	NA
Funded status [Surplus / (Deficit)]	(100.87)	(84.64)	(62.24)	(11.80)	NA
Experience gain / (loss) adjustments on plan liabilities	(47.91)	23.62	3.92	3.54	NA
Experience gain / (loss) adjustments on plan assets	(6.98)	4.98	2.32	3.92	NA

@ Information of experience adjustment in respect of this year is not available, hence not disclosed.

(₹ Lakhs)

Post Retirement Medical Benefit	As on 31 st March, 2014	As on 31 st March, 2013
Present value of DBO	296.77	NA
Fair value of plan assets	NA	NA
Funded status [Surplus / (Deficit)]	NA	NA
Experience (gain) / loss adjustments on plan liabilities	(0.80)	NA
Experience gain / (loss) adjustments on plan assets	NA	NA

Actuarial assumptions for long-term compensated absences	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Discount rate	9.31%	8.00%
Expected return on plan assets	NA	NA
Salary escalation	7.50%	7.50%
Attrition	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The Company provides for compensated absences to employees which can be carried forward to future years. Consequently based on Guidance on implementation of Accounting Standard 15 "Employee Benefits" (AS-15), the Company has considered the benefits provided as other long term employee benefits. An amount of ₹ 39.84 Lakhs (previous year ₹ 171.40 Lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2014.

The company has introduced post retirement medical benefit plan during the year, hence, there is no disclosure for the previous year in this respect.

26.2 Disclosure as per Accounting Standard 17 – "Segment Reporting"

The Company operates presently in the business of city gas distribution. The Company earns revenue by selling natural gas and does not earn revenue by transporting gas of third parties. There are no separate reportable segments, other than selling of natural gas.

26.3 Disclosures as per Accounting Standard 18 – "Related Party Disclosures" are as follows:

- A) GAIL (India) Ltd. – Promoter Venturer
 B) BG Asia Pacific Holdings Pte. Ltd. (BGAPHL) – Investing Company
 (BG Energy Holdings Limited is the Promoter Venturer).
 C) Key Management Personnel
 Mr. V. C. Chittoda – Managing Director
 Mr. Allan Perrin – Technical Director (upto 14th Feb 2014)
 Ms. Susmita Sengupta – Technical Director (w.e.f. 15th Feb 2014)

Details of transactions are as follows:

	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
A. GAIL (India) Ltd.		
Expenses		
1. Purchase of Gas (Inclusive of taxes) {refer note No.27.2(iv)}	1,20,271.46	91,149.14
2. Secondment charges	40.23	42.66
Others		
3. Expenses Reimbursed	3.48	3.95
4. Material given on Loan	-	0.21
5. Material purchased	15.63	-
6. Expenses Recovery	0.92	0.37
7. Leasehold land at Belapur returned back to GAIL	-	134.50
Closing Balance		
8. Payable to GAIL (India) Ltd. as on March 31st (Net)	5,699.53	4,370.28
B. BG Energy Holdings Limited (BGEH)		
Expenses		
1. Secondment charges #		
(Debit notes raised by BG Exploration and Production India Limited (BGEPI), on behalf of BGEH for obligation performed.)	333.34	239.75
Closing Balance (for transactions on behalf of BGEH)		
2. Payable as on March 31st to:		
BGAPHL	411.41	411.41
BGEPI	509.12	212.61
Total	920.53	624.02
C. Managerial Remuneration #	383.96	292.59
[Secondment charges of ₹ 373.57 Lakhs, (previous year ₹ 282.41 Lakhs) included above]		

Salary and Allowances includes ₹ 126.77 Lakhs (Previous year ₹ 87.18 Lakhs), payable to Technical Director, pending for shareholders' approval.

26.4 Disclosure for leases under Accounting Standard 19 – "Leases"

- Company has taken on lease few equipments / machines for some CNG Retail Outlets. Lease charges are dependent on sale of CNG at these outlets and hence there are no minimum lease payments. The term of the contract is one or two years, renewable at discretion of the Company. The contract does not impose any restrictions concerning dividend, additional debt and further leasing. Lease payments recognized in the Statement of Profit and Loss for the year is ₹ 187.52 Lakhs (previous year ₹ 128.32 Lakhs).
- Company has taken certain vehicles under operating lease agreements. Lease payments recognised in the Statement of Profit and Loss under "Miscellaneous Expenses" for the year is ₹ 846.00 Lakhs (previous year ₹ 514.80 Lakhs).
- Company has entered into agreements for taking on leave and license basis certain residential/office premises/godowns. All the agreements contain a provision for its renewal. Lease payments recognised in the Statement of Profit and Loss under Rent for the year is ₹ 978.35 Lakhs (previous year ₹ 784.33 Lakhs).
- The future minimum lease payments of non-cancellable operating leases are as under:

	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
Not later than one year	4.91	50.46
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	4.91	50.46

26.5 Earnings per Share

	2013-14	2012-13
Net profit after tax attributable to equity shareholders (₹ Lakhs)	29,724.92	29,850.59
Nominal Value per Share (₹)	10.00	10.00
Basic and Diluted Earnings Per Share (₹)	33.27	33.41
Weighted average number of shares used in computing basic and diluted earnings per share	89341600	89341600

26.6 Derivative Instruments

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

Sr. No.	Particulars	Currency	2013-14		2012-13	
			INR (₹ Lakhs)	Forex	INR (₹ Lakhs)	Forex
A	Payable for Capital Imports	USD	156.22	2,59,934.63	162.19	2,98,207.29
		NZD	68.19	1,31,635.40	-	-
		GBP	-	-	6.61	8,027.50
		EUR	-	-	5.83	8,386.30
B	Payable for Secondment Expenses	GBP	533.93	5,34,729.00	440.19	5,34,729.00
C	Payable for Import of Goods and Services	USD	71.92	1,19,672.29	79.80	1,46,711.37

NOTE – 27

Additional information to the financial statements

27.1 Capital and other commitments

- Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 19,959.13 Lakhs (previous year ₹ 24,133.63 Lakhs).
- All the contracts for purchase of natural gas with suppliers, has contractual obligation of "take or pay" for shortfall in contracted Minimum Guaranteed Quantity (MGQ) as specified in individual contracts. Estimation of these MGQ commitments is dependent on nomination of quantity by suppliers and actual purchase by the company. As both the factors "quantity nomination by supplier" and "quantity to be purchased by the company", are not predictable, MGQ commitment is not quantifiable.

27.2 Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts ₹ **21,600.42 Lakhs** (previous year ₹ 10,670.48 Lakhs), includes:

- i. Claims disputed by the Company relating to issues of applicability aggregating to ₹ **12,957.63 Lakhs** (previous year ₹ 10,344.63 Lakhs) as detailed below:

Particulars	As on 31 st March 2014 ₹ Lakhs	As on 31 st March 2013 ₹ Lakhs
a) Excise Duty	11,919.65	9,495.93
b) Service Tax	791.80	732.12
c) Sales Tax / Input VAT credits	124.40	-
d) Income Tax	121.78	116.58
Total	12,957.63	10,344.63

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

- ii. Local Authority property taxes, lease rents, pipeline related re-instatement charges etc. claims disputed by the Company relating to issues of applicability and determination aggregating to ₹ **318.59 Lakhs** (previous year ₹ 235.06 Lakhs).
- iii. Third party claims arising from disputes relating to contracts aggregating to ₹ **401.98 Lakhs** (previous year ₹ 34.80 Lakhs).
- iv. During the current year, the Company has received demand of ₹ **7,871.08 Lakhs** in respect of additional transportation tariff for the period from November 2008 to March 2014 from GAIL (India) Limited. Based on a legal opinion, the Company contends that the same is not payable and the Company does not expect outflow of cash. Hence, the same is considered as contingent liability and no provision is made for the same.
- v. Claims from consumers not acknowledged as debts ₹ **51.14 Lakhs** (previous year ₹ 55.99 Lakhs).

27.3 Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available. There are no outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period.

27.4 Additional information pursuant to the Part II of Schedule VI to the Companies Act, 1956.

	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
i. Payments to Auditors To Statutory Auditors For Audit	25.63	23.02
(included in Miscellaneous Expenses - Note 25)		
For Other Services	1.50	3.54
Reimbursement of expenses	0.32	0.34
ii. Value of Imports on CIF		
Capital Goods	1,090.74	800.89
Stores and Spares	71.87	154.04
iii. Expenditure in Foreign Currency		
Secondment Expenses	-	3.51
Travelling Expenses	0.44	6.62
Erection Charges	1.54	71.98
Legal and Professional Charges	12.05	7.54

- iv. Remittance in foreign currency on account of dividend to a non-resident shareholder, BG Asia Pacific Holding Pte. Ltd., Singapore during the year is ₹ **7,778.74 Lakhs** for the year ended 31st March, 2013 on 44449960 equity shares (previous year ₹ 6,667.49 Lakhs for the year ended 31st March, 2012 on 44449960 equity shares).

- v. Value of Stores and Spares Consumed

	2013-14 ₹ Lakhs	2013-14	2012-13 ₹ Lakhs	2012-13
Imported	107.00	7%	183.03	13%
Indigenous	1,330.45	93%	1,251.11	87%
Total	1,437.45	100%	1,434.14	100%

- vi. Information relating to Gas Distribution Activities

Particulars	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
Opening Stock of Natural Gas	25.77	22.72
Purchase of Natural Gas	1,14,534.46	81,247.41
Sale of Natural/Compressed Gas (Net of VAT)	2,03,523.10	163,426.60
Internal Consumption	186.02	97.23
Closing Stock of Natural Gas	36.70	25.77

- vii. Information relating to Trading Items

Particulars	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
Opening Stock	-	-
Purchase	104.13	72.25
Sale (Net of VAT)	124.31	83.04
Closing Stock	-	-

27.5 The Foreign Investment Promotion Board (FIPB) through its approval had allowed the Company to continue with the arrangements of foreign equity participation upto 50% in the paid up capital of the Company until December 2006. This approval was subject to the condition that the Company would be required to bring an IPO to divest the shareholding of the promoters to 35% each as per the Joint Venture Agreement. The Company is in the process of complying with the 'Divestment condition' in line with FIPB requirements.

27.6 Proposed Dividend for the year 2013-14 is ₹ **15,634.78 Lakhs** (Previous Year ₹ 15,634.78 Lakhs). Dividend per Equity share is ₹ **17.50**, including special dividend of ₹ **7.50** (Previous Year ₹ 17.50, including special dividend of ₹ 7.50).

27.7 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

V C Chittoda
Managing Director

Susmita Sengupta
Technical Director

S M Ranade
Chief Financial Officer

Alok Mishra
Company Secretary

Place : Mumbai
Date : June 18, 2014

Secretarial Audit Report

To,
The Members,
Mahanagar Gas Limited,
MGL House, Block No. G-33,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400051 Maharashtra

We have examined the registers, records, books and papers of Mahanagar 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 April 01, 2013 to March 31, 2014 (the relevant year). On the basis of the examinations carried out by us and explanations furnished to us by the Company and its Officers, we have carried out a comprehensive report on the Secretarial Audit and the summary of the same is as under:

1. The Company has kept and maintained all the required statutory registers as stated in Annexure 'A' as per the provisions of the Act and necessary entries have been recorded in the aforesaid Registers.
2. The Company has duly filed all the requisites forms and returns with the Registrar of Companies, Maharashtra, Mumbai, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder. The Forms and Returns filed by the Company are stated in Annexure 'B'.
3. The Company has complied with the provisions of Section 3(1)(iv) read with the provision of Section 12 and Section 252 of the Act as applicable to Public Company.
4. The constitution of the Board of Directors of the Company is in accordance with the provisions of the Act. The Board of Directors duly met 6 (six) times respectively on April 02, 2013, May 22, 2013, August 27, 2013, November 15, 2013, November 25, 2013 and March 25, 2014 in respect of which proper notices were given and the proceedings were properly recorded, signed in the Minutes Book maintained for the purpose in loose leaf form. Circular Resolutions duly passed were subsequently confirmed by the Board and properly recorded in the minute book, thereby complying with

the provisions of the Act. One Circular Resolution No. 76 was not approved and as advised by the Board, the same was deliberated and approved by the Board in its Meeting held on August 27, 2013.

- 4a. The Audit Committee is duly constituted and its terms of reference are in accordance with the provisions of Section 292A of the Act.
- 4b. The Audit Committee duly met 5 (five) times during the relevant year namely, on April 01, 2013, May 21, 2013, August 26, 2013, November 14, 2013 and March 24, 2014 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose in loose leaf form.
- 4c. The Audit Committee has discussed and reviewed all the items as prescribed in their Scope / Terms of Reference by the Board of Directors.
- 4d. The Finance Committee duly met 4 (four) times during the relevant year viz. on May 21, 2013, August 26, 2013, November 14, 2013 and March 11, 2014, in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose in loose leaf form.
- 4e. The Human Resources sub-Committee duly met 2 (two) times during the relevant year namely on November 14, 2013 and March 24, 2014 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose in loose leaf form.
- 4f. The Remuneration Committee comprising of Non Executive Directors duly met 4 (four) times on April 01, 2013, May 21, 2013, November 15, 2013 and March 24, 2014 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose in loose leaf form.
- 4g. The Corporate Social Responsibility (CSR) Committee comprising of one Non Executive Director and two Executive Directors was constituted by the Board of Directors in its Meeting held on March 25, 2014.

- 4h. The IPO sub-Committee comprising of Non Executive Directors duly met 6 (six) times on June 25, 2013, August 26, 2013, October 07, 2013, November 14, 2013, February 17, 2014 and February 18, 2014 and March 24, 2014 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose in loose leaf form.
- 4i. There are other Committees namely Nomination Committee, and Shareholder Issues and Grievances Redressal Committee duly constituted by the Board of Directors. These Committees have not met during the relevant year under review.
5. The Annual General Meeting for the financial year ended on March 31, 2013 was held on August 27, 2013 in accordance with the provisions of Section 166 of the Companies Act, 1956 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained by the Company for the purpose in loose leaf form. Retirement and re-appointment of directors at Annual General Meeting held on August 27, 2013 were in conformity with the provision of Sections 256 and 257 of the Act.
6. No Extra-Ordinary General Meeting was held during the F.Y. 2013-14.
7. The Company has not advanced any loan to its Directors and / or persons or firms or companies referred in the Section 295 of the Companies Act, 1956.
8. During the relevant year, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
9. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
10. During the year, the Company has not appointed any person holding office or place of profit falling within the purview of Section 314 of the Act.
11. During the relevant year:
 - (i) The Company has delivered all Share Certificates on lodgment for transfer of 10 (ten) Equity Shares during the Financial Year in accordance with the provisions of the Act. There was no allotment or transmission of securities during the Financial Year.
 - (ii) The Company has not made any allotment.
 - (iii) The Company has issued three numbers of duplicate Share Certificates after complying with necessary formalities under the applicable provisions of the Companies Act, 1956.
 - (iv) The Company has not closed its Register of Members.
12. The Company has duly complied with the requirements relating to the Director's Report in terms of Section 217, 217 (2A) and 217(2AA) of the Act.
13. The Company has declared and paid dividend for 2012-2013 during the relevant year and has transferred to the reserves such percentage of its profits for the year as required under Section 205 of the Act and the rules made there under.
14. The Company has not bought back any shares during the relevant year.
15. The dividend amount has been paid to all the Shareholders.
16. No Loans have been given to the Directors of the Company during the relevant year.
17. The amounts borrowed by the Company during the relevant year are within the borrowing limits of the Company and it has duly complied with the provisions of Sections 292 and 293 (1) (d) of the Act.
18. The Company has not created and modified any charges during the relevant year.
19. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the relevant year.
20. The Company has not made any loans or advance to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
21. The Board of Directors have delegated the powers of investment in Mutual funds and Bank deposits to the Managing Director and Whole Time Director (delegates) to invest the surplus fund of the Company up to ₹ 585 Crores in accordance with the Investment Policy as approved by the Board of Directors. The delegates have made the investment within the said limit of ₹ 585 Crores.
22. The Directors have disclosed their interests in other firms / companies to the Board of Directors in accordance with provisions of the Act and necessary entries have been made in the register maintained for the purpose.
23. The appointment of Technical Director / Whole Time Director was approved by the Board of Directors and also Members in Annual General Meeting which is in compliance with the provisions of Section 269 of the Act and the Company has filed required Forms within the stipulated period of time.
24. There was no change in Object Clause of the Memorandum of Association of the Company during the relevant year except that Clause 29A was inserted

in Other Objects of Memorandum of Association of the Company for advertising in Billing system.

25. The Company has filed an application with Central Government in e-Form 23C for appointment of Cost Auditor for the Financial Year 2013-14. During the relevant year, the Company was not required to obtain any approvals of Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act.
26. During the relevant year, there was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
27. The Company has duly transferred the Employer's and the Employees Provident Fund Contribution to the prescribed authorities.
28. During the relevant year, the Company has neither directly / indirectly given any loan, guarantee or provided any security or any financial assistance for the purpose of or in connection with the purchase of its own Shares of the Company.

For **DHOLAKIA & ASSOCIATES**
(Company Secretaries)

C.S B.V. Dholakia
Proprietor
C. P. No. 507

Place: Mumbai
Date: June 18, 2014

Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act.
2. Register of Charges u/s 143 of the Act.
3. Register of Transfer of Shares u/s 108 of the Act.
4. Register of Directors' Shareholdings u/s 307 of the Act.
5. Register of Directors', Managing Director, Manager and Secretary u/s 303 of the Act.
6. Register of Contract u/s 301 of the Act.
7. Minutes Book of Board of Directors u/s 193 (1) of the Act (Loose Leaf form).
8. Minutes Book of the proceedings of General Meeting u/s 193(1), 196(1) of the Act. (Loose Leaf form).
9. Minutes Book of Audit, Remuneration, Nomination and Finance Committee Meetings (Loose Leaf form).
10. Register of Investment u/s 372A of the Act.

Annexure B

Forms and Returns as filed by the Company, during the financial year ended March 31, 2014

- With Registrar of Companies

Sr. No.	Forms	Purpose
1	Annual Report (Form 23 AC and ACA)	U/s. 220 of the Companies Act, 1956 for the year ended March 31, 2013 was filed on September 24, 2013 in XBRL Form with MCA.
2	Annual Return (Form 20 B)	U/s. 159 of the Companies Act, 1956 as on August 27, 2013 was filed on September 23, 2013.
3	Form 23	a) U/s. 192 of the Companies Act, 1956 in respect of Special resolution u/s 224A for appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company till next Annual General Meeting was filed on September 04, 2013; b) for amendment of Memorandum of Association u/s 16 for insertion of Clause 29A in Other Objects clause for advertising in bills; and, c) to commence the activity of advertising in the bills and such other activities as mentioned in the Other Object Clause No. 29A of the MOA.
4	Form 23	Re-appointment of Mr. Vipin Chandra Chittoda as Managing Director for one year with effect from April 22, 2013 to March 31, 2014 was filed on May 03, 2013.
5	Form 23	Re-appointment of Mr. William Allan Perrin as Whole Time Director for one year with effect from December 05, 2013 to February 14, 2014 was filed on December 10, 2013.
6	Form 25C	U/s. 269(2) and Schedule XIII of the Companies Act, 1956 in respect of Return of Appointment of Mr. William Allan Perrin, Nominee of British Gas (BG) as Wholetime Director with effect from December 05, 2013 was filed on December 10, 2013.
7	Form 25C	U/s. 269(2) and Schedule XIII of the Companies Act, 1956 in respect of Return of Appointment of Mr. Vipin Chandra Chittoda, Nominee of GAIL (India) Limited as Managing Director with effect from April 22, 2013 was filed on June 17, 2013.
8	Form 32	U/s. 303 of the Companies Act, 1956 was filed on April 17, 2013 for cessation / resignation of Dr. Kshatrapati Shivaji, Nominee of Government of Maharashtra with effect from March 19, 2013.
9	Form 32	U/s. 303 of the Companies Act, 1956 was filed on June 21, 2013 for cessation/ resignation of Mr. Bhuvan Chandra Tripathi as Director effective from May 27, 2013 and cessation / resignation of Mr. S. L. Raina effective from May 31, 2013 and appointment of Mr. Pankaj Kumar Pal effective from May 28, 2013 and Mr. M. Ravindran as an Additional Director effective from June 01, 2013 representing GAIL (India) Limited.
10	Form 32	U/s. 303 of the Companies Act, 1956 was filed on September 03, 2013 for appointment of Mr. Shahram Jahanbani, Mr. M. Ravindran, Mr. Pankaj Kumar Pal and Mr. Apurva Chandra as Directors at the Annual General Meeting held on August 27, 2013 .
11	Form 32	U/s. 303 of the Companies Act, 1956 was filed on April 25, 2013 for appointment of Mr. Apurva Chandra, Nominee of Government of Maharashtra with effect from April 02, 2013.
12	Form 32	U/s. 303 of the Companies Act, 1956 was filed on February 25, 2014 for cessation / resignation of Mr. William Allan Perrin w.e.f. February 14, 2014 and appointment of Ms. Susmita Sengupta as Whole Time Director with effect from February 15, 2014.
13	Form 20 A	U/s. 149(2A) of the Companies Act, 1956 was filed on September 16, 2013 declaration of compliance subject to filing of a special resolution business in relation to object other than the main object of MOA.

- With Regional Director

Not Applicable

- With Central Government or other authorities

1	Form 23C	U/s. 233B for application to the Central government for appointment of M/s. Dhananjay V. Joshi & Associates as Cost Auditors of the Company for the Financial Year 2013-14 was filed on June 14, 2013.
2	Form 1	Cost Audit Compliance Certificate issued by M/s. Dhananjay V. Joshi & Associates as Cost Auditors of the Company for F.Y. 2012-13 filed on September 25, 2013.

For **DHOLAKIA & ASSOCIATES**
(Company Secretaries)

C.S B.V. Dholakia
Proprietor
C. P. No. 507

Place: Mumbai
Date: June 18, 2014

Gallery



Empowering Women - Participation in women's Half Marathon



Expanding CNG Network - Inauguration of CNG station at Owale, Thane



Caring for the environment - Tree plantation with school children at Taloja



CSR - Promoting education



Mobile training van



Emergency van



Medical van



**MAHANAGAR
GAS**

MAHANAGAR GAS LIMITED

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