



MAHANAGAR
GAS

BUILDING A SUSTAINABLE COMMUNITY



ANNUAL
REPORT
2014-15

BUILDING A SUSTAINABLE COMMUNITY

Understanding the needs of the society and responding to it through socially useful programmes has been one of the core values of the Company.

We at MGL, believe in transforming the society through welfare & sustainable development of the community at large.

In accordance with vision of the Company, MGL's CSR initiatives supplement its contribution in environment protection, development of healthy and enlightened citizens, social enlistment and sustainable community development through its service, conduct and social initiatives.

VISION

To be a leading consumer-friendly gas company

To provide safe, efficient & reliable energy

To contribute significantly for a pollution free environment

Letter from Chairman, MGL



Dr. Ashutosh Karnatak
Chairman

Dear Shareholders,

I am, both excited and honored, to occupy the august position of Chairman of your Company. On the occasion of Twentieth Annual General Meeting of your Company and on behalf of the Board of Directors, it gives me immense pleasure and satisfaction to share noteworthy performance of your Company for the fiscal Year 2014-15.

The net operating revenue for the Financial Year 2014-15 has reached ₹2095 crores, as compared to ₹1885 crores in the preceding Financial Year. Your Company also continued to maintain its profit growth by achieving a Profit after Tax of ₹301 crores for the year under review. The average gas sales per day increased to 2.38 MMSCM, which is 5.3% increase over the previous year. Your Company has been constantly improving and performing excellently.

Your Company continues to successfully scale up the infrastructure during the year under review in its authorised areas of operation of Mumbai and its adjoining areas and is also rapidly spreading its distribution infrastructure and connecting consumers in the Mumbai and its suburban areas which are also within your Company's authorised Geographical Area. The sustainable growth, development and significant success achieved by your Company is the result of 'Best in Class' business practices. Your Company has made substantial investments in network expansion in its authorised areas of operations for laying, building and developing CGD infrastructure as a part of growth prospects.

I am delighted to inform you that **Petroleum and Natural Gas Regulatory Board (PNGRB) has recently authorized your Company to implement the City Gas Distribution (CGD) network in the District of Raigad, Maharashtra.** The authorized area for laying, building, operating or expanding the proposed CGD network shall cover an area of about 6,846 square kilometers. This will give an opportunity to your Company to grow beyond the existing authorised areas of operation in and around Mumbai. Along with the growth opportunity, there also lies challenges before your Company to roll out its CGD infrastructure in time bound manner in difficult and diverse topography of Raigad District to meet regulatory targets, which will be an uphill task.

Another appreciable fact is that **your Company has achieved 95,095 PNG connections & 1 lakh registrations in a single financial year, which is highest so far in the history of your Company.** Your Company is amongst one of the largest CGDs in India in terms of customer base.

I am glad to inform that your Company has taken an initiative to utilize renewable energy for lighting of the MGL Office Building at Mahape and successfully commissioned 20 KW roof top Solar Power Plant accordingly during the year under review. MGL has received the Greentech CSR award in Gold category for outstanding achievement in Corporate Social Responsibility. Your Company continues to primarily focus on safety, health, security and environment and it is constantly upgrading its infrastructure to keep pace with International Standards on health and safety.

The Hon'ble Supreme Court of India has pronounced judgment in the case of PNGRB v/s Indraprastha Gas Ltd & Others and observed that PNGRB is not empowered to fix or regulate the maximum retail price at which gas is to be sold by the CGD entities, to the consumers and further the PNGRB is also not empowered to fix network tariff or compression charges within the own distribution network. It will benefit your Company in fixing retail price and it has eliminated the risk of refunding any previous period payment to the customers with regard to Network Tariff and Compression charges.

Your Company is highly innovative in enhancing the levels of customer service, and in building customer and community trust. With the advancement of technology, **your Company has newly developed and launched mobile application; named "MGL CONNECT" to facilitate PNG (Domestic) and CNG customers** to upload gas meter reading, identification of meter reader, downloading of forms like registration, name change, locate the nearby CNG station. Through this application, the customers can also view the list of authorized CNG Cylinder testing agencies, and many more other important features. It is a matter of pride that your company is the only CGD Company in India to have such mobile application.

Your Company is looking for acquiring stake in other existing CGD entities having established markets. It is also pleasing to inform you that your Company is bidding for new geographical areas to set up and operate CGDs.

Despite formidable challenges, growth and progress continues at your Company. However, there is much more to do for taking up your Company to the aspired level of success, which is important, not only for shareholders, but also for our customers, people, the society in which we operate, and to the industry as a whole, where we play a leading role.

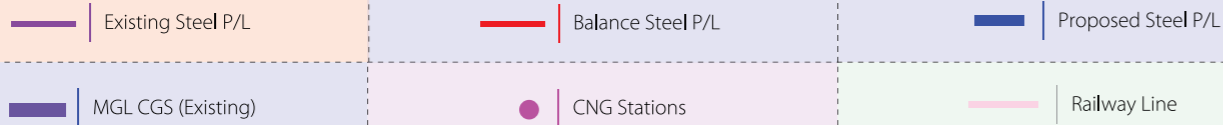
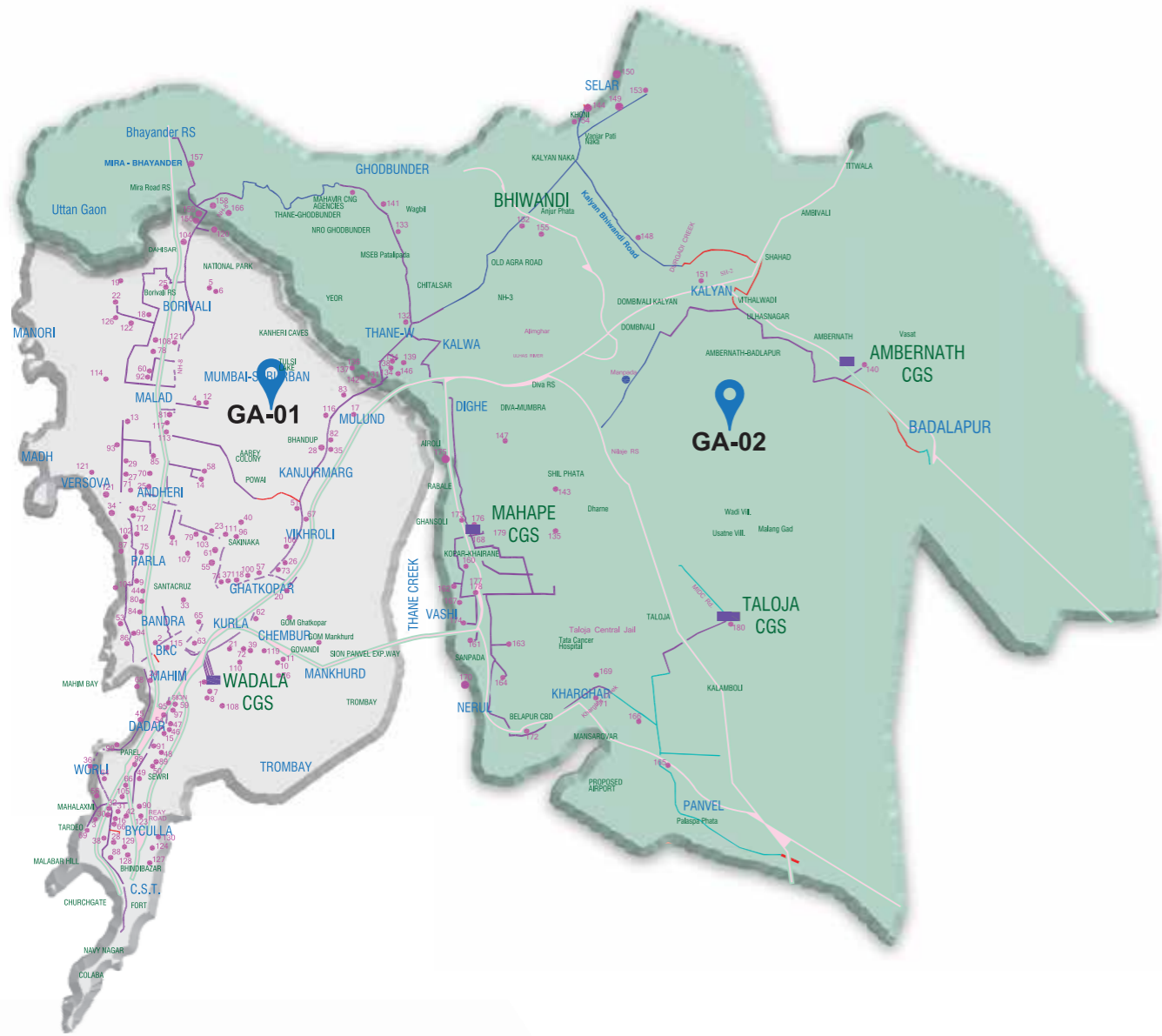
Before I conclude, I would like to take this opportunity to thank each one of you for your continued support and encouragement that has helped your Company to face all the challenges and achieve consistent growth in its business, while providing safe, competitive, efficient and reliable source of energy to our esteemed customers.

With warm regards,

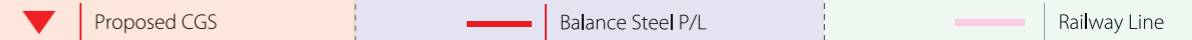


Dr. Ashutosh Karnatak
Chairman

GAS DISTRIBUTION NETWORK MAP (GA-1 & GA-2)



NEW AUTHORISED AREA FOR GAS DISTRIBUTION NETWORK (GA-3)



Building a Robust Network MGL's CITY GATE STATIONS



BOARD OF DIRECTORS



Mr. Shaleen Sharma
(Chairman)
(upto May 27, 2015)



Dr. Ashutosh Karnatak
(Chairman)
(w.e.f. May 28, 2015)



Mr. Apurva Chandra
(Director)



Mr. M. Ravindran
(Director)
(upto May 27, 2015)



Mr. Pankaj Kumar Pal
(Director)
(upto March 26, 2015)



Mr. Shahram Jahanbani
(Director)
(upto March 26, 2015)



Mr. Nitin Banerjee
(Director)
(w.e.f. May 28, 2015)



Mr. Vipin Chandra Chittoda
(Managing Director)
(upto forenoon of
September 29, 2014)



Mr. Rajeev Mathur
(Managing Director)
(w.e.f. afternoon of
September 29, 2014)



Ms. Susmita Sengupta
(Technical Director)



Mr. Arun Balakrishnan
(Director)



Dr. Basudeb Sen
(Director)



Mr. J.K. Jain
(Director)



Mr. Raj Kishore Tewari
(Director)
(w.e.f. March 05, 2015)



Mr. Santosh Kumar
(Director)

OTHER KEY MANAGERIAL PERSONNEL

Mr. S. M. Ranade
Chief Financial Officer

Mr. Alok Mishra
Company Secretary

HIGHLIGHTS

- Over 10 lakh customers covering 50 lakh people, are being supplied with PNG & CNG in and around Mumbai.
- CNG filling facility at 17 depots for over 3,300 public transport buses run by BEST, MSRTC, TMT, NMMT providing pollution-free travel to the citizens.
- Supplying CNG to over 4.25 lakh vehicles through a network of over 180 CNG outlets.
- Largest length and breadth of above 400 km steel & 4,000 km PE pipeline spread across Mumbai and its adjoining areas.
- Daily reduction of about 1200 tonnes of pollutants in Mumbai with the use of CNG.
- Expanding beyond the existing areas with the recent authorization to implement the City Gas Distribution network in the district of Raigad.
- Achieved 1 lakh registrations in a single financial year and provided over 95,000 PNG connections across its network this year.
- Successfully met the targets set by PNGRB for GA2 domestic connections and Inch-kms.
- Implementation of GIS mapping and SCADA system for efficient control and monitoring of the entire network.
- Securing Gas supply by setting up a network of City Gas Terminals at strategic locations in the area of operation.
- Achieved ISO 14001 certification for our three City Gate Stations at Mahape, Taloja and Ambernath in addition to already certified CGS at Wadala.
- Won Greentech CSR award in Gold category under the CGD sector.
- All CNG auto and taxi drivers (above 2 lakh) provided insurance cover against accidental death or disabilities under MGL's unique insurance scheme- 'Mahasuraksha'.
- Contributed in rehabilitation of families of three martyrs of 26/11 terror attacks by handing over operatorship of 3 CNG stations.
- Facilitated the mentoring of 20 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 centers across the operational area.
- Enhancing customer centric approach by registering presence on social media.
- Launching of mobile app 'MGL Connect' for adding a new dimension to customer-centric approach.



Building A Progressive Nation- Empowering Youth Through Education And Skill Development

MGL has taken initiatives for community welfare by providing support for rehabilitation and holistic development of children from marginalized communities and also increasing computer literacy in local Municipal schools. Through its endeavor 'MGL Unnati', free coaching facility was extended to meritorious children from economically weaker sections, for competitive exams of engineering institutions.

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Building a Secure Environment by Empowering Women

MGL has associated with various social institutions for empowering urban and poor women for a dignified life through skill development. MGL is taking a step forward to encourage and empower women by providing a source of livelihood to needy women.

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
CITI Bank NA
Development Credit Bank Ltd

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s. Dholakia & Associates LLP,
A/302, Khernagar Sarvodaya Co.op. Hsg. Soc. Ltd.,
Bldg. No. 11, Nr. PF Office, Khernagar, M.H.B. Colony,
Bandra (East), Mumbai - 400 051.

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.



Building A Sustainable Ecosystem By Protecting Flora & Fauna

MGL has been encouraging Animals Welfare by undertaking activities for rehabilitation of animal by providing veterinary ambulance and intensive care unit, thus helping in overall environmental sustainability.

To the Members,

Your Directors are pleased to present you the Twentieth Annual Report of the Company (MGL) together with the Audited Statements of Accounts for the year ended March 31, 2015.

1. FINANCIAL PERFORMANCE

Your Company surpassed the milestone of ₹2,000 Crores turnover, registering an impressive growth of 11% over the previous year. The Profit after Tax is ₹301 Crores for the year 2014-15 as compared to ₹297 Crores for the year 2013-14.

The financial results for the year ended March 31, 2015 are summarized below:

Particulars	FY 2014-15	FY 2013-14
	₹in Crores	₹in Crores
Net Revenue(Operating)	2,095	1,885
Other Income	41	34
Profit before Interest and Depreciation	530	523
Interest	1	0.21
Depreciation	80	81
Profit before Tax (PBT)	449	442
Provision for Tax	148	145
Profit after Tax (PAT)	301	297
Balance of Profit for earlier years	995	911
On account of change in estimated useful life in case of certain assets, depreciation adjusted as per Companies Act, 2013 [net of tax]	(2)	-
Balance available for appropriation	1,294	1,208
Appropriation		
Transfer to General Reserve	-	30
Proposed Dividend on Equity Shares	156	156
Tax on Dividend	32	27
Balance of profit carried to Balance Sheet	1,106	995
Total Appropriations	1,294	1,208
Earnings Per Share (Face value of ₹10/- each)		
Basic (₹)	33.69	33.27
Diluted (₹)	30.54	30.15



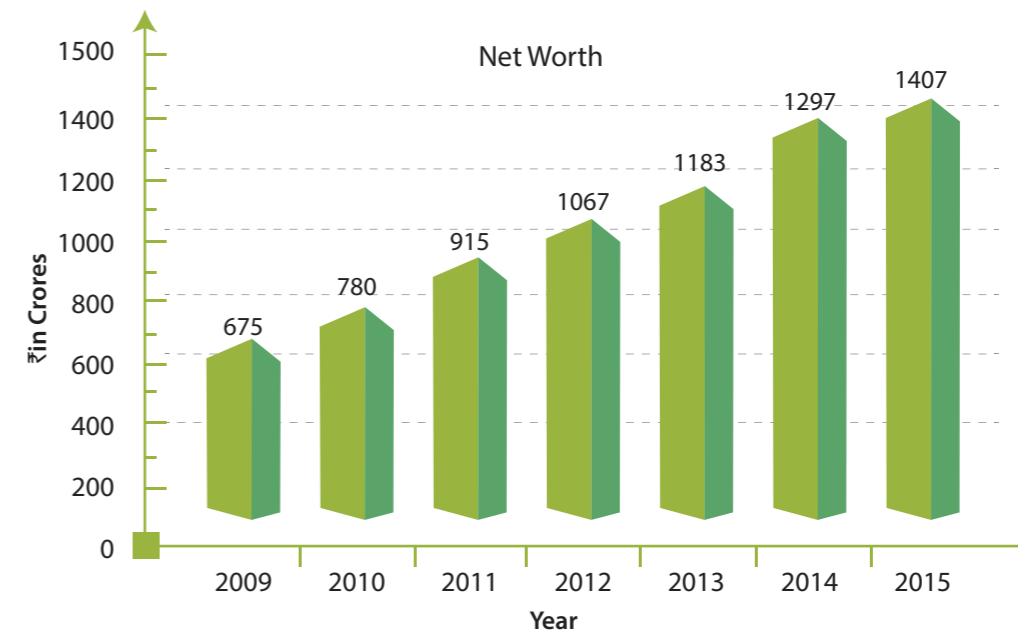
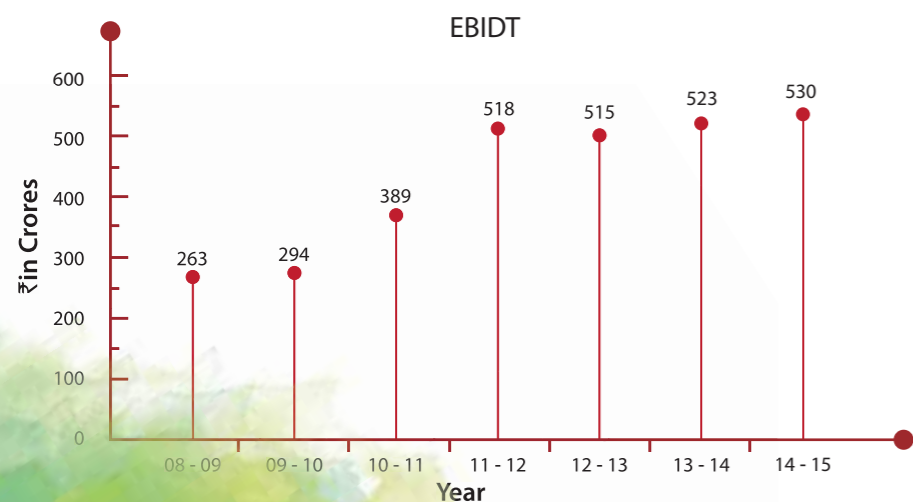
Building trust of promoters - Presentation of dividend cheques to GAIL (I) Ltd, BG India Ltd. and Government of Maharashtra.

Net worth per share has increased from ₹145.17 in 2013-14 to ₹157.54 in 2014-15 signifying sound return on investment coupled with sizeable amount of profit ploughed back into the business.

2. APPROPRIATIONS

Dividend

In the previous year, a dividend of ₹17.50 per equity share of face value of ₹ 10/- each (which included special dividend of ₹7.50 per share) was paid. For the financial year ended March 31, 2015, your Directors are pleased to recommend a dividend of ₹17.50 per equity share (i.e. normal dividend of ₹10 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 forthcoming Annual General Meeting, will be made in accordance with the regulations applicable at that time.

3. STATE OF COMPANY'S AFFAIRS

Your Company's growth is on fast track and is poised for scaling newer heights, in its chosen areas of operations. A brief summary of the operations of the Company is provided in the Management Discussion & Analysis section forming part of this report.

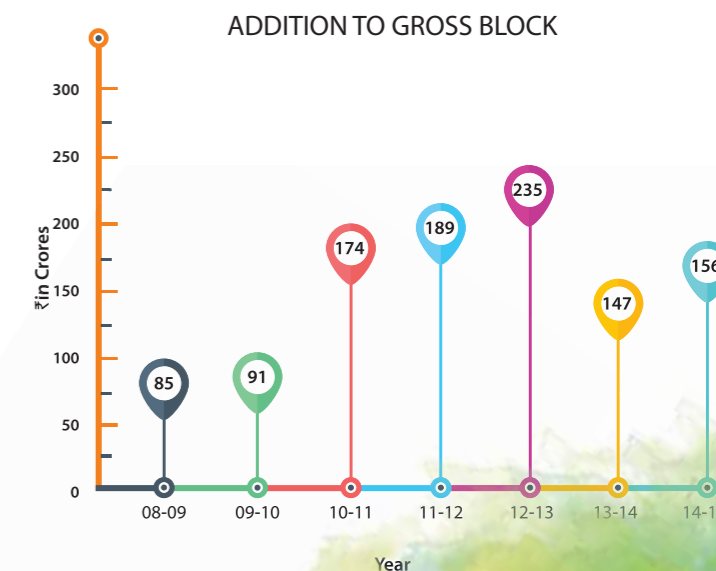
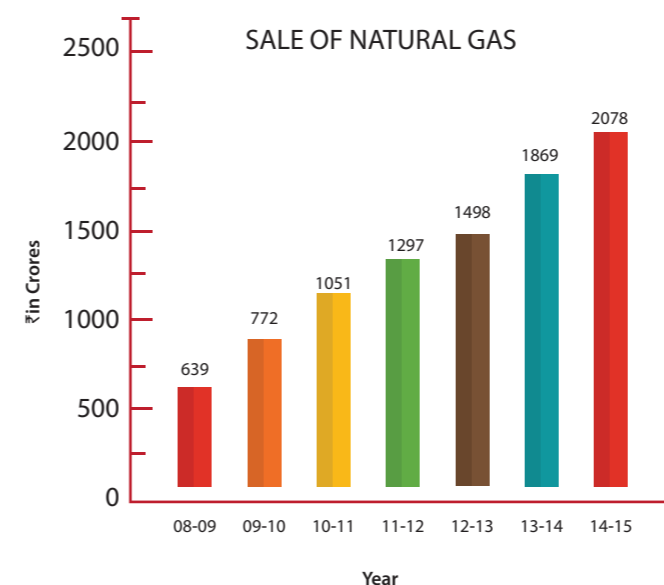
4. MANAGEMENT DISCUSSION & ANALYSIS

(a) Operations and Business Performance:

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.

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 is also rapidly spreading its distribution infrastructure and connecting consumers in the suburban areas of Kalyan-Dombivli, Ambarnath-Badlapur, Ulhasnagar, Bhiwandi, Panvel, Kharghar and Taloja which are also within your Company's authorized Geographical Area. Growth has been maintained despite encountering complexities due to development of infrastructure by various other entities / authorities, limited construction window period of six months due to monsoons and delay in availability of statutory permissions from local authorities to build CGD infrastructure.





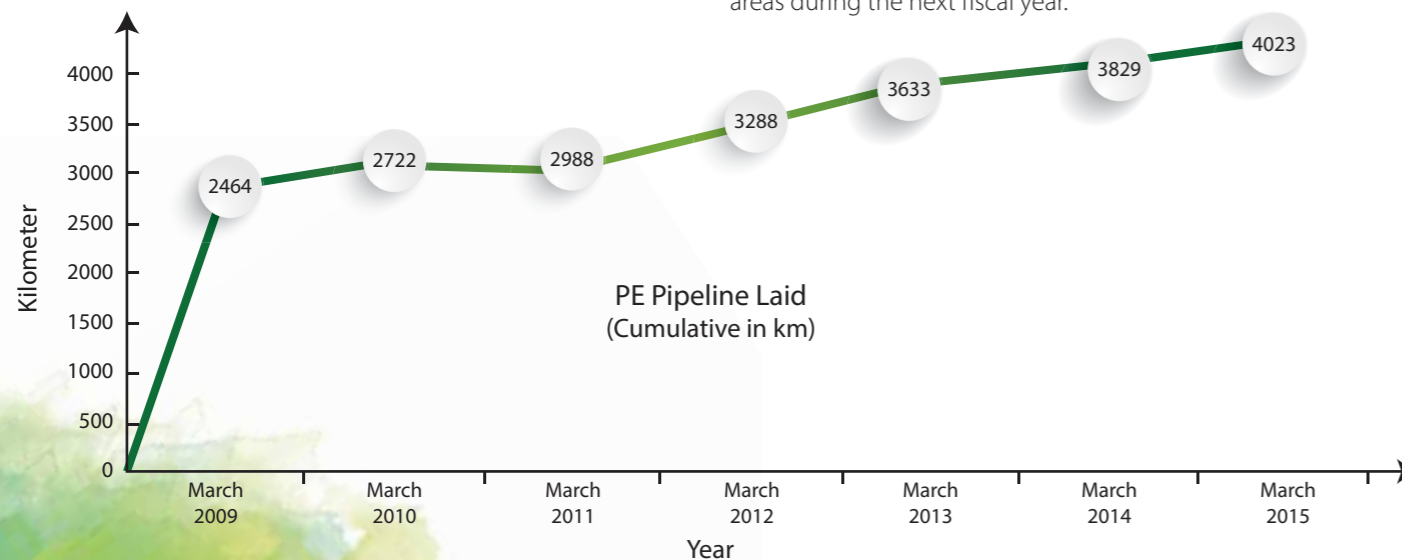
MGL steel pipeline laying site.

The table below shows growth achieved by the Company:

Sr. No.	Particulars		Addition for the Year 2014-15	Cumulative Growth upto March 31, 2015
A.	Piped Natural Gas - Household Consumers Connected	Nos	95,095	8,01,321
B.	Compressed Natural Gas - Outlets / Stations - Dispensing Points - Compression Capacity - Vehicles converted to CNG	Nos Nos Kgs/day Nos	12 81 2,02,300 62,190	180 970 25,39,200 4,21,258
C.	Pipelines laid - Steel - Polyethylene	Kms Kms	25 195	403 4,023

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



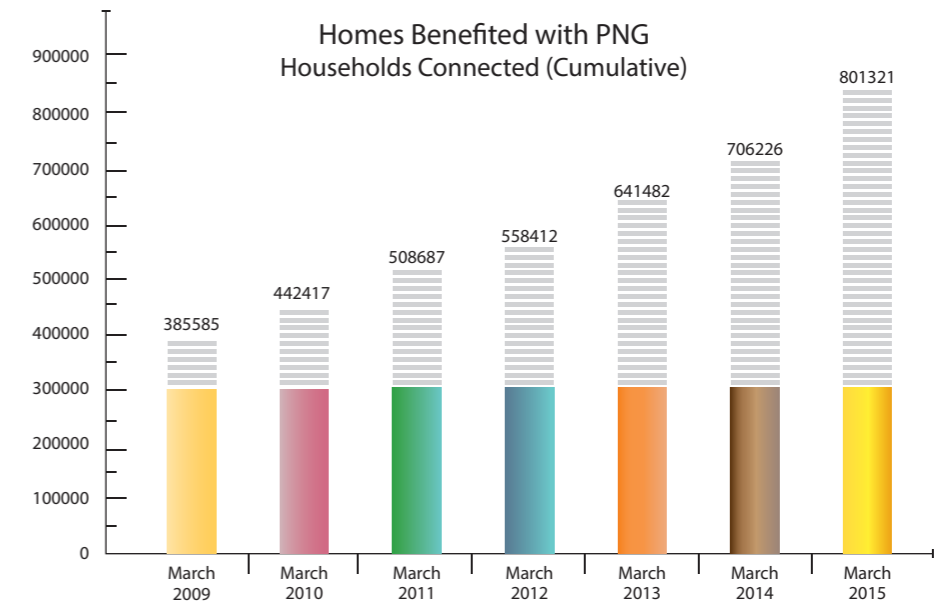
financial year 2014-15 increased to 2.38 MMSCM per day registering a growth of over 5.3% during the previous fiscal year.

The highest daily gas volume has reached a peak of 2.645 MMSCM per day during the year.

During the year 2014-15, 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 2014-15, 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 2014-15 increased to 12.32 Lakhs Kg per day registering growth of about 7.1 % over the previous fiscal year. The peak daily sale of CNG reached 14.66 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.



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

- (i) Day to day efficiency in gas sourcing, supply management, fund management and operations undertaken by your Company led to an overall control on costs.
- (ii) Your company since its inception, has for the first time achieved 95,095 PNG connections & 1 Lakh registrations in a single financial year.
- (iii) Your Company has met the targets set by PNGRB for GA2 domestic connections & Inch-Km.
- (iv) Your Company has successfully completed assessment of ISO 14001 for CGS Mahape, Taloja and Ambarnath and also successfully achieved re-certification of ISO-9001:2008.
- (v) Your Company received the Greentech CSR award in Gold category for outstanding achievement in Corporate Social Responsibility.



Recognition for CSR.

- (vi) Your Company has been awarded by PNGRB with the authorization to implement the CGD network in the district of Raigad in Maharashtra. This will give an opportunity to your Company to grow beyond the existing areas of GA I & GA II covering Mumbai, Thane and Navi Mumbai.

- (vii) Your Company has successfully added 4 CNG cylinder hydro testing set-up during the year and total 12 during the years, to facilitate CNG users.

- (viii) 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.

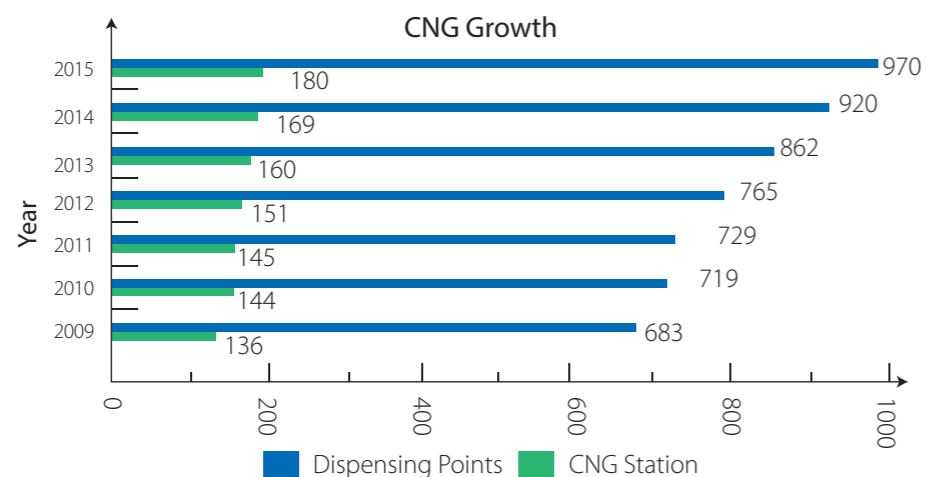
- (ix) Your Company contributed for installation of air-conditioning unit at Taraporewala Aquarium, Mumbai.

- (x) Your Company successfully commissioned a roof top Solar Power Plant of 20kW capacity at MGL Office Building at Mahape to cater to power electrical lighting of the office building.

(b) Development in Gas Sourcing and Pricing:

Untiring efforts and advocacy by your Company resulted in Government of India (GoI) vide its revised guidelines dated August 20, 2014, allowing supply of domestic gas, 10% over and above 100% requirement of CNG (transport) and PNG (domestic) of individual CGD entity calculated as per the last half yearly consumption. As per the MoP&NG guidelines, the allocation of domestic gas will be reviewed half yearly and revised based on actual consumption in the previous period.

Further, the GoI notified 'New Domestic Natural Gas Pricing Guidelines, 2014', dated October 25, 2014 effecting new domestic natural gas price from November 01, 2014 to March 31, 2015. These Pricing Guidelines 2014, in addition to providing clarity on domestic Natural Gas Pricing, moderated the increase in domestic natural gas price and helped in maintaining competitiveness of CNG (transport) and PNG (domestic) supplied by your Company against competing liquid fuels.



Also, your Company has entered into /renewed framework agreements for Spot RLNG with suppliers available in market to source Spot RLNG in a competitive manner. It will help to cater to daily and seasonal fluctuations in gas demand and quantities required over and above total of domestic gas allocations, if any and firm RLNG supplies. Spot RLNG prices (delivered) fluctuated substantially during the year from low of about US\$ 8.00 / MMBTU to a high of US\$ 18.40 / MMBTU.

(c) Opportunities and Challenges:

Your Company has won the coveted bid for the Geographic Area of adjoining Raigarh District (Maharashtra) in the PNGRB CGD bid round - IV. The PNGRB has granted the authorization with 300 months of infrastructure exclusivity and 60 months of marketing exclusivity for the CGD network.

The decision of the Government of India (GoI) allowing supply of domestic gas upto 110% of domestic gas allocation for CNG (transport) and PNG (domestic) segments of your Company is immensely helpful in maintaining competitiveness of CNG and PNG against competing alternate fuels. This dispensation of the GoI would enable your Company to meet fluctuation in demand and cater to most of the incremental demand in these segments from domestic gas supplies.

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.



Kharghar Creek pipeline laying site.

A challenge before your Company would be to roll out its CGD infrastructure in a time bound manner to meet its regulatory targets in newly authorized Raigarh District covering over 6,800 Sq. Km area consisting of diverse topography of rocky terrain and forest land.

Another challenge before your Company would be to develop competitive skills to prepare for likely competition post exclusivity scenario in Mumbai & Greater Mumbai and Thane city & contiguous areas, retaining skilled manpower and developing more number of vendors and competent contractors. To address such challenge, your Company is focusing on upgrading its robust systems and processes, strengthening manpower and skill development.

Also, the outcome in the ongoing legal cases (i) 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 and (ii) in the PNGRB between MGL and PNGRB, GAIL and ONGCL, on applicability of additional Transportation Tariff of ONGCL's Uran Trombay Pipeline levied by GAIL may have an impact on your Company.



Exploring opportunities - supply of natural gas to the railways.

(d) Risk Management & Internal Control System:

MGL has established Business Risk Management Framework for identifying risks that may have a bearing on the organization's objectives. Risks are evaluated on the basis of their impact and likelihood by Business Risk Review Group (BRR Group) consisting of senior executives of the Company and are periodically reviewed by the Audit Committee and the Board.

The Business Risk Review Group assists the Audit Committee and the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework.

MGL has put in place an adequate system of internal control commensurate with its size and nature of its business and continuously focuses on strengthening its internal control processes. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

Policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. Procedures to ensure conformance to the policies, standards and delegations of authority have been put in place covering all activities. Inter-dependencies of job responsibility ensure that there are joint discussions and requisite approvals before any commitment is made.

The internal audit function is carried out by reputed external professional firm covering major business operations which ensures the effectiveness of existing processes, controls and compliances. Internal audit reports along with management comments and action plan on recommendations are presented to Audit Committee.

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

A Strategic Management Group (SMG) consisting of Senior Executives undertake discussions and take joint decision on all major issues.

Robust integrated Enterprise Resource Planning (ERP) system across the Company has been established which encompass through all major business operations. This has improved controls making them process driven rather than person driven.

Robust Geographical Information System (GIS) has been established to effectively manage network. Total network laid/ being laid is mapped in GIS which helps in regular monitoring, repair and maintenance on day to day basis as well as in the case of emergency.

Supervisory Control and Data Acquisition (SCADA) has been implemented to have remote control of select installations.

(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 standards of Health, Safety, Environment and Security and 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.



Making Safety our Mission - Celebrating National Safety Week.

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



Safety awareness program with the fire personnel.

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 HSS&E standards. Coaching and assistance is provided to the business partners as and when required.

As a part of your Company's drive for continuous improvement in safety, various steps have been undertaken to raise general awareness in the relevant community and operating environment such as PNG awareness campaign in residential societies, MGL Emergency Management Systems awareness for local Fire Brigade offices, District Disaster Management Cells, Police personnel in various police stations, CNG awareness campaign at various auto stands, B.E.S.T. depots and gas safety awareness programs in public schools. A campaign on "Life Saver Excellence" with a series of workshops has been conducted across the Company in different districts to raise HSE awareness among employees and contractors.

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 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 Vehicle Tracking System (VTS), your Company conducts Defensive Driving Training (DDT) for all drivers and helpers of vehicles plying within the organization namely Light Commercial Vehicles (LCV) carrying CNG, pool vehicles, and Master Control Center (MCC) / Emergency vehicles. Your Company has imparted DDT training to more than 600 contractors' drivers and patrolmen driving bikes associated with MGL.

Your Company has a well-built Fire Management System in place in compliance with all national standards. A competent firefighting workforce has been deployed at all City Gate Stations (CGS) and MGL offices to combat any potential fire emergency. The Fire Management System has been scrutinized by an external third party agency of international repute validating the effectiveness of the system.

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

Security

Security management in your Company has evolved as the physical assurance process supporting its business. Rapid changes in socio-economic scenario led to a thorough reassessment of security management through risk assessment & reviews, especially focused on protection of critical infrastructure and support to key processes. Your Company has responded by evolving and adopting effective ways to incorporate security practices and programs into its overall business operations.

Security adequacy of your Company is continuously tested through reviews of its planning and organisation and thereafter implementing the result of such reviews. These include risk and vulnerability assessments, threat information & appreciation, facility access controls, awareness training, incident

management drills and exercises. The Security Management System is being audited periodically by highly reputed third party agencies to identify areas of improvement in security and vigilance measures.

Keeping pace with the business initiatives and the security threats, the security function has evolved into two distinct verticals - Surveillance Assurance & Asset Protection; both of these complementing & reinforcing each other. The surveillance assurance vertical is profoundly aligned to security technology.

Accordingly to achieve the desired goals, a state-of-the-art 'Security Control Room' for continuous surveillance of pipeline, VTS monitoring, monitoring patrolmen movement, remote monitoring of DRS & continuous surveillance of all asset locations & major offices is planned. On the other hand, Asset Protection is being continuously strengthened by round the clock deployment of adequate ground force of well trained personnel.

The ultimate goal of the Security Management System in MGL is to achieve effective security performance. Key emphasis of the Security Management System is to provide uniform security standards across your Company so as to make the security practices proactive rather than relying on reactive mechanisms.

Environment

The Environment is both a brand image as well as a core area of focus for 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 the employees rededicate themselves to protect the environment and promote the benefits of natural gas to improve the environment through public awareness campaigns. Towards environment compliance, a new initiative of landscaping and greenland development work has also been completed at CGS Ambernath.



World Environment Day.

(f) Project Monitoring:

Web based system designed for capturing and display of milestones / achievements pertaining to all ongoing projects for effective monitoring of cost and progress is working successfully & is being used exhaustively to capture & store actual progress of all the key parameters pertaining to PE, Steel and CNG projects at a centralized location.

The system has benefitted the Company by cultivating the culture of monthly reconciliation of executed work. This in turn improved the accuracy of reported details and helped in timely closure of financial accounts. The System also helped in formulation of realistic Cap Ex 2014-15 and Business Plan.

Further, aligned with the vision imparted by MD's office, the Corporate Project Monitoring Department is initiating implementation of "File Lifecycle Management" application which has been implemented in various other organisations. Some of the key features of this application are like tracking of Green sheets, approval notes and vendor bill management system, etc. through the system. This new portal will supplement Company's contribution towards 'Go Green' Initiatives.

(g) Asset Integrity:

Your Company has been assessed and registered as complying with the requirements of PNGRB Notification on Integrity Management System (IMS) for City or Local Natural Gas Distribution Network (CGD regulation - 2013).

For upgrading the technical competencies of your engineering and technical personnel, e-learning modules comprising animation films have been developed and made available through intranet. This has enabled ready access to acquiring and upgrading correct knowledge and skill to employees.

(h) Future Outlook:

Your Company has established its operations in one of the largest metro city of India. The ever expanding customer base coupled with large unserved population provides a strong growth opportunity. Over the next five 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 along with expeditious rollout of CGD infrastructure in the newly authorized Raigarh district.

Your Company is continuously screening opportunity to enter into new markets by participation in the bids invited by PNGRB for implementation of the CGD network across the country in upcoming CGD bid rounds of the PNGRB. Also, your Company is exploring various opportunities for inorganic growth such as equity stakes in other existing CGD entities.

5. AUTOMATION, INFORMATION TECHNOLOGY, METERING AND CUSTOMER RELATIONSHIP MANAGEMENT IMPROVEMENTS

(a) Automation and Information Technology:

Your Company has witnessed smooth operation of the 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. While the Company has consolidated the existing IT applications by enhancing and appropriately maintaining them, new areas in the mobility have been treated by developing application for our customer which is being launched. A mobility application for the PE projects is also being rolled out as a pilot.

Your Company is the first CGD entity to meet all the digitization requirements of MOP&NG which include features like online customer registration, customer being able to track the status of her / his connection and dealer grievance redressal system.



Effective monitoring - SCADA Control Room.

Your Company has been successful in sustaining and enhancing its SCADA system across all the four City Gate Stations, 109 CNG stations and 3 Sectionalising Valves (SV). Plans are in place and further work is in progress to cover an additional 60 CNG stations and 6 SVs.

With the successful experience of Data logger monitoring system at 30 District Regulating Stations (DRS), plans are in place for covering an additional number of 19 DRSs enabling your Company to further strengthen the safety of operations and provide improved services to your consumers in a more efficient manner.

Implementation of Automated Meter Reading (AMR) is being expedited by exploring suitable suppliers and vendors and detailed feasibility is being worked out for the implementation of the same in the premises of 50,000 domestic customers in the first phase.

Your Company is also in the process of undertaking trials for the implementation of pre-paid metering system for domestic customers.

These initiatives shall render the capability for remote acquisition of meter readings, detecting instances of meter tampering and delivering an enhanced user experience thereby raising safety as well as revenue realisation.

(b) Metering:

Efforts to further enhance domestic meter reading accuracy and efficiency were continued and following key features were added to the Smart Mobile Hand Held Terminals (SMHHT) based meter reading android system:

- Display of consumer's detailed address at a glance including flat no., floor no., plot no. etc.
- Provision for specific instruction to meter reader related to specific consumer.
- Pop-up guidelines to capture door lock images in standard sequence.
- Spot alert on nil consumption or abnormally high/ low consumption to re-check meter reading before submission.
- Visibility of reading submission status or number of completed readings held up in the smart phone.
- To enable re-verification and updation in SAP Master Data, provision for meter reader to mention meter serial number in case of discrepancy and updated mobile no. provided by consumer.



Photo based Meter Reading.

Remapping was done in SAP with respect to domestic consumer address referred to by meter reader as per BP Master instead of Premise Master thus improving accuracy of meter reading as well as billing.

For domestic meter reading, cross-checking the authenticity of at least 10% door lock images, meter reading punching accuracy etc. were continued.

Green initiative was implemented for fortnightly meter reading of Industrial and Commercial (I&C) consumers by migrating from paper based joint ticketing system to android software based. For better monitoring, apart from the provision to capture image of meter & meter seal, Electronic Volume Controller (EVC) display, meter reader's & consumer representative's signature, the android software also has the provision to capture image of locked Metering & Regulating Station (MRS) housing before & after performing meter reading.

(c) CRM:

Mobile Application "MGL Connect" has been developed for MGL customers. The following are the key features of the application –

- View PNG bill
- Log Complaint / service request
- Provide meter reading during meter reading cycles
- Validate identity of the meter reading personnel
- Download relevant forms / documents
- CNG station locator & saving calculator
- Know and understand the various policies & procedures of the organization



Mobile App "MGL Connect".

The Interactive Voice Response System (IVRS) in the call center is being re-designed for increasing customer convenience with various automated self-help menus, and updated customer information / updates. Few of the key features incorporated are as follows –

- Increased self-help options.
- Easier navigation of menu.
- Customers who wish to avail After Sales Services (Install/ Remove Meter) to get priority to speak to Customer Service Executive.

- Data to be captured regarding callers who wish to report demolition of building so that they may be contacted later.

Outsourcing of our Call Center at the vendor's location has been finalized and awarded to new vendor, which will have following advantages:

- Flexibility to enhance inbound call taking capability and availability of human interface round the clock.



MGL Call Centre.

- Standardization of services by the BPO will enable MGL to position its customer service as business differentiator in a competitive scenario leading to increase in brand value.
- Customer Service is essentially the face of the entity to its customers and prospects, specifically call center services are critical and need professional handling at industry specific standards.

Domestic Segment:

1,00,000 registrations out of which ~ 16,000 registrations were from gasified buildings, which were highest in any financial Year.

6. 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.

7. GEOGRAPHICAL INFORMATION SYSTEM (GIS)

Your Company has made further successful strides in the implementation of Geographical Information System (GIS) initiative by implementing the latest 'myWorld' solution, the first of its kind in any CGD company of India. This not only makes the mobile GIS even more effective & user-friendly but also enhances the desktop GIS experience.

Field capturing of pipelines while being laid using high accuracy hand held devices has been introduced in the past for high pressure steel lines in new areas. The same is being simplified further for common usage so as to encourage its implementation to minimize time lag.

These initiatives will help your Company further, in monitoring and maintaining the pipeline network more efficiently.



GIS Mapping

8. HUMAN RESOURCES DEVELOPMENT AND EMPLOYEE RELATIONS:

Your Company continues its belief that Human Resource is its most valuable asset and has made all efforts to attract, enhance the skills and develop the existing talent pool. Organization restructuring for growth, revisiting HR policies, facilitating conducive work environment, outbound training programs and engagement of employees were some of the initiatives undertaken by MGL during the year.



Long Service Award Recipients with Senior Management.

A salary correction exercise was done after market benchmarking survey in the year 2014. 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 seeking their feedback facilitated strong employee connect and engagement. An annual Training Calendar with a focus on planned development activities was launched for the first time.



20th Foundation Day Celebration.

On the organization development front, competency framework was institutionalized and 111 employees of middle and senior management have gone to the Development/ Assessment Centre. Sequel to this, the development plan has been proposed for 59 employees having 'High Potential and High Performance' scores.

New system of hiring employees on Fixed Term Contract was conceptualized and introduced for roles requiring human resources on one time/ intermittent basis. Implementation of Biometric Attendance marking system across MGL was initiated as a project and successfully commissioned within set timelines. This has provided a base for MGL to move into flexible work time / 5 days a week working environment.

On the diversity front, various initiatives were taken by your Company which contributed in strengthening bonding of employees and the extended family like participation of women employees in various initiatives including Women's Half-Marathon; 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.

At the year end, your Company had 481 employees on its rolls; 35 employees were recruited during the year 2014-15. The attrition rate was around 6.5% p.a.

9. CORPORATE SOCIAL RESPONSIBILITY POLICY

Mahanagar Gas Limited being a responsible corporate citizen, has been continuously contributing in social investments primarily in the areas of Health, Education, Women empowerment and Environment protection.

'MGL Unnati', is an endeavor for education and skill development of meritorious children of CNG auto, taxi and public transport bus drivers and other economically weaker sections, for entrance exams of prestigious engineering institutions. Free coaching was extended to 20 students out of which 15 students cleared IIT mains and 3 students cleared IIT finals. It also associates with renowned technical training institutes for imparting training in various skills to less privileged youth to make them self-reliant.



Empowering future generation - MGL Unnati.

MGL has also associated with a local Municipal school for increasing computer literacy at the grass root level by setting up Computer Laboratory. Extending support for rehabilitation of impoverished children by developing them in a holistic manner for earning their livelihood and mentoring children from underprivileged communities through sports to evolve a positive attitude are some of the other initiatives undertaken by MGL towards community welfare.



Holistic Development of Young minds.

MGL has also partnered with various social institutions for empowering urban poor women for a dignified life through skill development and training and for providing relief to women in distress to encourage them to cope with difficult circumstances and situations. As community welfare initiative, MGL is also contributing towards psychological settlement, medical care and overall happiness of mentally challenged adults, for holistic development of children from marginalized communities. The Company has also extended financial support for the welfare of visually challenged students of blind school.

MGL has also provided support for veterinary ambulance and intensive care units as an initiative towards animal welfare. Promoting sports in the country, MGL is supporting promising sportsperson from various Indian sports. Contributing for the restoration of heritage structures and beautification of the city, MGL has extended support for the air-conditioning of Taraporevala Aquarium and Convocation Hall of University of Mumbai.



Animal Welfare - AMTM Ambulance.

Allotment of operations of CNG filling stations to the families of martyrs who sacrificed their lives for the country during 26/11 terror attack in Mumbai is yet another contribution by MGL in rehabilitating the dependent of martyrs.

Conducting free Health and Eye Check up camps from time to time; spreading safety awareness through mobile safety van; distributing booklets for bringing general awareness about Natural Gas and Healthy Living and continuation of Mahasuraksha Yojana, (a unique social initiative for group personal accident cover for CNG auto and taxi drivers) are some of the key initiatives in this area.

For the health and welfare of Traffic Police personnel, MGL has been conducting health check-up camps periodically for them and has also provided porta cabins, traffic booth, etc. for their convenience.

The Company, in compliance with the provisions of the Companies Act, 2013 has constituted a Corporate Social Responsibility Committee with Independent Director Mr. Santosh Kumar as its Chairman and Managing Director, presently Mr. Rajeev Mathur as Member and Whole Time Director, Ms. Susmita Sengupta as Member. The Company has also placed details of Policy on the website of the Company. Further details required as per the provisions of the Companies Act, 2013 are attached to this report as Annexure – III.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Appointments

The Company during the financial year 2014-15, had appointed all the Independent Directors viz; Mr. Santosh Kumar, Mr. Arun Balakrishnan, Dr. Basudeb Sen and Mr. J. K Jain as Independent Directors pursuant to the provisions of Section 149 of the Companies Act, 2013. Mr. Santosh Kumar and Mr. Arun Balakrishnan were appointed for a period of 2 (two) years, for a term up to the conclusion of 21st Annual General Meeting of the Company to be held in the financial

year 2016-17 approved by the Shareholders at Annual General Meeting held on September 29, 2014. Dr. Basudeb Sen and Mr. J. K Jain were appointed for a period of 2 (two) years, for a term up to March 04, 2017 by the Shareholders at the Extra Ordinary General Meeting held on March 05, 2015.

Your Company had also appointed Mr. Raj Kishore Tewari under the category of Independent Director for a period of 3 (three) years, for a term up to March 04, 2018. The Shareholders at their Extra Ordinary General Meeting held on March 05, 2015 approved his appointment.

Dr. Ashutosh Karnatak, GAIL Nominee, has been appointed as an Additional Director with effect from May 28, 2015 and shall hold office upto the date of the ensuing Annual General Meeting of the Company.



Dr. Ashutosh Karnatak, Chairman- MGL welcomed by the Managing Director.

Mr. Nitin Banerjee, BG Asia Pacific Holdings Pte Limited Nominee, has been appointed as an Additional Director with effect from May 28, 2015 and shall hold office upto the date of the ensuing Annual General Meeting of the Company.

(b) Cessation

During the financial year 2014-15, Mr. Pankaj Kumar Pal and Mr. Shahram Jahanbani resigned from the position of Directors of the Company w.e.f March 26, 2015 owing to withdrawal of their nomination by GAIL (India) Limited and BG Asia Pacific Holdings Pte Limited respectively. The Board of Directors places on record the valuable contribution made by them to the growth of the Company, during their tenure as Directors of the Company.

Mr. M. Ravindran and Mr. Shaleen Sharma resigned from the position of Directors w.e.f. May 28, 2015 owing to withdrawal of their nomination by GAIL (India) Limited and BG Asia Pacific Holdings Pte Limited respectively. The Board of Directors places on record the valuable contribution made by them to the growth of the Company, during their tenure as Directors of the Company.

(c) Retirement By Rotation

The provisions of Section 152 (6) of the Companies Act, 2013 and Article 42 of the Articles of Association of the Company provide for retirement of rotation of the Directors of the Company. Accordingly, Mr. Apurva Chandra (DIN: 02531655) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Based on the recommendation of Nomination and Remuneration Committee, the Board recommends his re- appointment at the ensuing Annual General Meeting.

(d) Board Meetings during the financial year 2014 -2015

The Board of Directors met 8 (eight) times during the financial year 2014-15. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Report on Corporate Governance.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

During the year under review, your Company has issued 9436178 CCDs of ₹10/- each, to the Government of Maharashtra under Right basis in proportion of 17 CCDs against 160 Equity shares.

13. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION

Your Company strongly believes in adherence with good and ethical governance practices to enable the management to direct and control the affairs of the Company in an efficient and effective manner. It believes in imbibing the good governance practices to ensure the maximization of value and goodwill for all the stakeholders of the Company. With that belief, though not applicable presently, your Company voluntarily complies with the requirements of Clause 49 of the Listing Agreement as applicable to the listed Companies. A separate report on Corporate Governance has been annexed to the Annual Report.

14. EXTRACT OF ANNUAL RETURN

Extract of Annual Return as prescribed under sub - section (3) of Section 92 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT – 9 has been annexed to this Report as Annexure – II.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has not entered into any Related party Transactions pursuant to provisions of the Companies Act, 2013.

16. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT :

PNGRB has recently authorized your Company to implement the City Gas Distribution (CGD) network in the district of Raigad, Maharashtra pursuant to the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008. The authorized area for laying, building, operating or expanding the proposed CGD network shall cover an area of 6846 square kilometers. MGL shall design and install an optimal size of the infrastructure in terms of pipeline of various types including steel belting of the authorized area, online compressors of adequate capacity for compressing of natural gas into CNG, allied equipments and facilities in the CGD network as identified in its Detailed Feasibility Report (DFR) depending upon the potential demand for natural gas. MGL shall maintain an uninterrupted supply of natural gas to all categories of customers in the CGD network.

17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and material orders passed by the courts or tribunals impacting the going concern status and the Company's operation in future.

18. DEPOSITS

The Company has not accepted any deposits pursuant to provisions of the Companies Act, 2013 and rules made thereunder.

19. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 stating that they meet with the criteria of their Independence laid down in Section 149(6) as well as Clause 49 of the listing agreement.

20. AUDIT COMMITTEE

Details regarding the constitution, re - constitution of the Audit Committee as per the provisions of Companies Act, 2013 and the Listing Agreement along with the dates of meeting and the Terms of Reference have been entailed in the Report on Corporate Governance.

21. STAKEHOLDERS RELATIONSHIP COMMITTEE

Details regarding the constitution, re-constitution of the Stakeholders' Relationship Committee as per the provisions of Companies Act, 2013 along with the dates of meeting and the Terms of Reference have been entailed in the Report on Corporate Governance.

22. NOMINATION AND REMUNERATION COMMITTEE

Details regarding the constitution, re- constitution of the Nomination and Remuneration Committee (NRC) as per the provisions of Companies Act, 2013 along with the dates of meeting and the Terms of Reference have been entailed in the Report on Corporate Governance. The Company follows a policy on remuneration of Directors and Senior Management Employees. Details of the same are given in the Report on Corporate Governance.

23. STATUTORY AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 117365W) the Statutory Auditors of the Company shall retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment and shall hold office from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM. In this regard, Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Companies Act, 2013.

24. SECRETARIAL AUDITORS

The Company had appointed M/s. Dholakia & Associates, Company Secretaries in Practice, as Secretarial Auditors for the financial year 2014 -15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as Annexure - IV to this Report.

The observations and the suggestions of the Secretarial Auditor in their Report has been noted and the Company is taking steps for strengthening appropriate compliance.

25. 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, 2014. The Cost Audit Report was filed by the Cost Auditors on September 27, 2014 within the due date. In respect of the financial year ended March 31, 2015, M/s. Dhananjay V. Joshi & Associates, Cost Auditors were re-appointed. The due date for filing the Cost Audit Report is September 27, 2015.



Leading the green revolution - MGL Board of Directors and other Senior Members.

26. FORMAL ANNUAL EVALUATION

In compliance with the provisions of the Companies Act, 2013, your Company has formulated criteria for evaluation of the individual Directors and Board as a whole. The illustrative criteria for evaluation was placed before the Nomination and Remuneration Committee which is subject to further revision, revamping or to adopt a new criteria for evaluation of the existing illustrative criteria is based on their educational qualifications, past and present Directorships, their contribution to the decision making to the Company based on the experience and expertise. The Board as a whole is evaluated on the basis of compliance with the applicable statutes, effectiveness in the functioning of the Committees of the Board, knowledge of the Directors with regard to Natural Gas Industry and also effective management of the Board on the following parameters-

Performance v/s objectives set, adoption of processes for internal and external communication, meetings, follow-up actions and results, utilisation of collective expertise and experience, future planning and strategic approach, Risk Management and Vigilance Mechanism, handling of crisis management and remedial measures, Inter – personal relationship and sharing of shoulders, Stakeholders Relationship Management.

27. VIGIL MECHANISM

In Compliance with requirements of the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement, your Board of Directors at its meeting held on March 26, 2015 approved the establishment of Vigil Mechanism to ensure that appropriate systems and procedures to curb opportunities for any sort of corrupt and unethical practices are in place.

This vigilance directive aims to set-out a structured, efficient and effective vigilance mechanism in the organization to cover both preventive and punitive approaches in this regard.

The policy on Company's Vigil Mechanism may be accessed on the Company's website at the link <http://www.mahanagargas.com/Download.aspx?Mkey=MTQz&lKey=Mw==>

28. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company had constituted an Internal Complaints Committee in compliance with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The members of this committee include representatives from the company and external experts/NGOs.

Your Directors further state that during the year under review, there were no cases filed pursuant to the provisions of the said Act.

29. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Section 134 (3) (m) and Rule 8 of Companies (Accounts) Rules, 2014 is annexed hereto as Annexure – I.

30. APPRECIATION AND ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their appreciation and sincere thanks to the Ministry of Petroleum & Natural Gas, Government of India, Petroleum & Natural Gas Regulatory Board, Government of Maharashtra (GOM), Municipal Corporations of Greater Mumbai, Navi Mumbai, Thane, Mira-Bhayander, Kalyan-Dombivali, Raigad, 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 records their appreciation to its Stakeholders - 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 while maintaining momentum of your Company's growth.

For and on behalf of the Board of Directors



Dr. Ashutosh Karnatak
Chairman

Place : Mumbai
Date : June 30, 2015



Building A Greener Environment By Spreading Use Of CNG

MGL is supplying CNG to over 4 lakh vehicles, in and around Mumbai metropolitan region. Today almost all taxis, auto rickshaws, public transport in this region have been converted to CNG, thus helping in reducing vehicular emission by about 1200 tons per day making a significant improvement in city's environment.

ANNEXURE -I

CONSERVATION OF ENERGY :

A) Steps taken for conservation and utilizing alternate sources of energy :

Your Company has implemented a number of energy conservation measures at various operating installations and 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.

This has resulted in considerable savings and contributions to environmental improvements.

Solar Power Plant of 30KW installed at CGS, Wadala, has been successfully catering to the electrical lighting load of the office building. A 20KW Solar power plant has been recently installed and taken into service at Mahape office. Similarly such installations are scheduled for MGL offices at Amarnath and Talaja as well during the next year.

At Mahape office, a natural gas-based fuelled generator set has been commissioned generating sufficient power as the primary source (of power) for the office building wherein the grid power is now consumed only as the secondary or backup source. The exhaust heat emission of this Gas Genset contributes to the air-conditioning of the same building by being utilized for the newly installed Vapor absorption chiller in-built with a heat recovery feature. This is a showcase of clean and green initiative.

An Energy Conservation unit has been installed at MGL House, Bandra-Kurla Complex, which has brought about 14-15% reduction in energy consumption on account of lighting load.

Your Company has also taken various initiatives like development of compact DRS, improvement in the technical specification of flexible hose used for domestic connections in high rise buildings, standardization in usage of materials (to facilitate effective management of inventory) like GI pipes, Service Regulators and RCC tiles.

A detailed market survey spanning entire MGL area of operation has also been successfully completed in a short time which has helped in revalidation and identification of the latest customer potential and opportunities for maximizing penetration.

B) Capital investment on energy conservation equipments :

The Company has spent ₹13.24 lacs on Solar Power Plant at MGL Office, Mahape, Navi Mumbai as energy conservation equipment.

TECHNOLOGY ABSORPTION:

Sr. No.	Particulars	Current Year 2014-15	Previous Year 2013 -14
1. Research and Development (R&D)			
A	Specific areas in which R&D carried out by the Company	(a) Continuity with development of : • Automatic Meter Reading (AMR) System • PE Risers • Supervisory Control and Data Acquisition (SCADA) System • GIS Mobility • Compact DRS • Improvement in flexible metallic hose assembly • Standardization of materials (ERW GI pipes, Service Regulators, RCC tiles) • Full review of technical specifications initiated • Gas Genset for in house power generation at Mahape Building • New Vapour absorption air conditioning with heat recovery feature at Mahape building. (the above two being show case clean & green initiatives) • Potential Survey of the entire MGL area i.e GA1 & 2.	(a) Continuity with development of • 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. • Development of Natural Gas Market • Safe and effective operation of Gas Supply Network • Cost saving and Energy saving	• Improvement in the existing business processes and working standards of a City Gas Distribution Project. • 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, Gas Meters, PE pipes, etc) • Further development of SCADA system • PE Risers • Automater Meter Reading (AMR) technology • Pre-paid meters	• Continuing Vendor Development (Regulators, Meters, PE pipes, etc) • Further development of SCADA system • PE Risers • Automater Meter Reading (AMR) technology • Solar Roof Top
D	Expenditure on R&D : a)Capital b)Recurring c)Total d)Total R&D expenditure as a percentage of total turnover	₹2,31,80,132/-	₹11,23,246/-
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	• 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 • Import substitution by development of indigenous vendor for supply of Service Regulators • Growth strategy	• Safe operation of Gas Supply Network • 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 3 years reckoned from the beginning of the financial year), following information may be furnished :		
(a)	Technology imported		Nil Nil
(b)	Year of import		N.A. N.A.
(c)	Has technology been fully absorbed ?		N.A. N.A.
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action		N.A. N.A.
3. Foreign Exchange Earning and Outgo			
		Current Year (₹ in Crores)	Previous Year (₹ in Crores)
	Total Foreign Exchange Earned	Nil	Nil
	Total Foreign Exchange outgo	83.82	88.53

ANNEXURE -II

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	U40200MH1995PLC088133
2.	Registration Date	08/05/1995
3.	Name of the company	Mahanagar Gas Limited
4.	Category	Company limited by Shares
5.	Sub Category of the Company	Indian Non – Government Company
6.	Whether Listed Company (Yes/no)	No
7.	Address of the Registered Office and Contact Details	MGL House, Block No.G-33, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India Tel. No. +9122- 6678 5000 Fax. No. +9122- 2654 0092
8.	Name, Address and Contact Details of Registrar and Transfer Agents, if any	M/s. Link Intime India Private Limited, C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai – 400 078, Maharashtra, India. Tel. No. +9122 - 2594 6970, Fax. No. +9122 -2594 6969

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr.No.	Name and Description of Main Product / Services	NIC of the Product	% of total turnover of the Company
1.	The Company operates presently in the business of City Gas Distribution. The Company earns revenue by selling Natural Gas	3520	99.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
NOT APPLICABLE					

IV. SHAREHOLDING PATTERN (Equity Capital Breakup as percentage of Total Equity)

I. Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1. Indian									
A. Individual	-	80	80	0.00 (negligible)	-	80	80	0.00 (negligible)	-
B. Central Govt.	-	-	-	-	-	-	-	-	-
C. State Govt.	-	4,41,600	4,41,600	0.50	-	4,41,600	4,41,600	0.50	-
D. Bodies Corporate	4,44,49,960	-	4,44,49,960	49.75	4,44,49,960	-	4,44,49,960	49.75	-
E. Bank / FI	-	-	-	-	-	-	-	-	-
F. Any Other	-	-	-	-	-	-	-	-	-
Sub Total – A – (1)	4,44,49,960	4,41,680	4,48,91,640	50.25	4,44,49,960	4,41,680	4,48,91,640	50.25	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Foreign									
A. NRI – Individuals	-	-	-	-	-	-	-	-	-
B. Other Individuals	-	-	-	-	-	-	-	-	-
C. Body Corporate	4,44,49,960	-	4,44,49,960	49.75	4,44,49,960	-	4,44,49,960	49.75	-
D. Bank / FI	-	-	-	-	-	-	-	-	-
E. Any Others	-	-	-	-	-	-	-	-	-
Sub Total – A(2)	4,44,49,960	-	4,44,49,960	49.75	4,44,49,960	-	4,44,49,960	49.75	-
Total Share Holding of Promoters (1+2)	8,88,99,920	4,41,680	8,93,41,600	100	4,44,49,960	4,41,680	8,93,41,600	100	-
B. Public Shareholding									
1. Institution	-	-	-	-	-	-	-	-	-
A. Mutual Funds	-	-	-	-	-	-	-	-	-
B. Banks/FI	-	-	-	-	-	-	-	-	-
C. Central Govt	-	-	-	-	-	-	-	-	-
D. State Govt	-	-	-	-	-	-	-	-	-
E.Venture Capital	-	-	-	-	-	-	-	-	-
F. Insurance Co.	-	-	-	-	-	-	-	-	-
G. FIs	-	-	-	-	-	-	-	-	-
H. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
I. Foreign venture Capital Fund	-	-	-	-	-	-	-	-	-
J. Others	-	-	-	-	-	-	-	-	-
Sub – Total B (1)	-	-	-	-	-	-	-	-	-
2. Non – Institution	-	-	-	-	-	-	-	-	-
A. Body Corporate	-	-	-	-	-	-	-	-	-
B. Individual	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital upto ₹1,00,000	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹1,00,000	-	-	-	-	-	-	-	-	-
C. Others	-	-	-	-	-	-	-	-	-
iii. NRI (Rep)	-	-	-	-	-	-	-	-	-
iv. NRI (Non – Rep)	-	-	-	-	-	-	-	-	-
v. Trust	-	-	-	-	-	-	-	-	-
vi. In Transit	-	-	-	-	-	-	-	-	-
Sub – Total B (2)	-	-	-	-	-	-	-	-	-
Net Total (1+2)	8,88,99,920	4,41,680	8,93,41,600	-	8,88,99,920	4,41,680	100	8,93,41,600	8,93,41,600
Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	-	-	-	-	-	-	-	-	-

ii. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholdings at the beginning of the year			Shareholdings at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged /encumbered to total shares	% change in shareholding during the year
1.	GAIL (India) Limited	44,449,960	49.75%	-	4,44,499,60	49.75%	-	-
2.	BG Asia Pacific Holdings Pte Limited	4,44,49,960	49.75%	-	4,44,49,960	49.75%	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during the financial year 2014 -15.

iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name	Shareholdings at the beginning of the year		Shareholdings at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL					

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	For each of the Director s and KMP	Shareholdings at the beginning of the year		Shareholdings at the end of the year	
		Name of the Director / KMP	No. of Shares	% of total Shares of the Company	No. of Shares
1.	Mr. M Ravindran Resigned w.e.f. 28/05/2015	10	Negligible	10	Negligible

INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in lakhs)
Indebtedness at the beginning of the year				
1. Principal Amount	-	798.33		
2. Interest due but not paid	-	-		
3. Interest accrued but not paid	-	-		
Total of (1+2+3)	-	798.33		
Change in the Indebtedness during the year				
+ Additions (including interest)	-	963.63		
- Reduction	-	183.15		
Net Change	-	780.48		
Indebtedness at the end of the year				
1. Principal Amount	-	1,558.80		
2. Interest due but not paid	-	-		
3. Interest accrued but not paid	-	20.01		
Total of (1+2+3)	-	1,578.81		

REMUNERATION TO EXECUTIVE DIRECTORS

A. Remuneration to Managing Director and Whole Time Director (Technical Director)

Sr No.	Particulars of Remuneration	Name of the Managing Director and Whole Time Director		
		Mr. Vipin Chandra Chittoda (upto forenoon of September 29, 2014)	Mr. Rajeev Mathur (w.e.f afternoon of September 29, 2014)	Ms. Susmita Sengupta
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	28,15,765	14,34,625	2,80,39,856
	*(b) value of perquisites u/s 17(2) of Income Tax Act, 1961	53,278	1,14,314	54,68,523
	(c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-As % of Profit	-	-	-
	-Others, specify	-	-	-
5.	Others, please specify Provident Fund & other Funds	2,39,575	2,45,476	-

Sr No.	Particulars of Remuneration	Name of the Managing Director and Whole Time Director		
		Mr. Vipin Chandra Chittoda (upto forenoon of September 29, 2014)	Mr. Rajeev Mathur (w.e.f. afternoon of September 29, 2014)	Ms. Susmita Sengupta
6.	Performance Bonus	2,50,820	2,50,820	-
	Total (A)	33,59,438	20,45,235	3,35,08,379
	Ceilings as per Act	5% of the net profits of the Company		

*Bachelor accommodation provided to the Managing Director used for office cum resident and club facility used for the entertainment of guests has not been considered.

B) Remuneration to Non-Executive (Non Independent Directors)

The Company has not paid any remuneration or made any reimbursement to any Non Executive (Non Independent Directors) for attending meetings of the Board and Committees thereof, during the financial year 2014 -15.

C) Commission to Non-Executive Independent 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 Independent 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.

Following are the details of Commission paid to the following Independent Directors for the financial year 2013- 14: ₹ in Lakhs

Sr No.	Name of the Director	Number of Board meetings attended	Amount payable	Chairmanship held for Committee meetings							Total Amount	
				Audit	Amount Payable	Finance	Amount Payable	Remuneration	Amount Payable	Others		Amount Payable
1	Dr. Basudeb Sen	5	3.00	5	0.50	-	-	4	0.40	-	-	3.90
2	Mr. J.K Jain	6	3.00	-	-	4	0.40	-	-	6	0.60	4.00
3	Mr. Santosh Kumar	5	3.00	-	-	-	-	-	-	-	-	3.00
4	Mr. Arun Balakrishan	6	3.00	-	-	-	-	-	-	-	-	3.00
	Total		12.00		0.50		0.40		0.40		0.60	13.90

The Commission for the financial year 2014-15 will be approved in the financial year 2015 -16 and accordingly shall be disclosed in the Annual Report for the financial year 2015-16.

D) Remuneration Paid to Key Managerial Personnel (other than MD, WTD)

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Mr. S. M Ranade CFO	Mr. Alok Mishra Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	58.24	22.05	80.29
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.32	-	0.32
	(c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-As % of Profit	-	-	-
	-Others, specify	-	-	-
5.	Others, please specify Provident Fund & other Funds	2.91	1.25	4.16
6.	Performance Bonus	-	-	-
	Total	61.47	23.30	84.77

ANNEXURE -III

REPORT ON CSR ACTIVITIES

A brief outline of the Company's Corporate Social Responsibility policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Mahanagar Gas Limited (MGL) has revised its CSR Policy in 2014 to align it with the guidelines formulated by the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In accordance with the vision of the Company, MGL's CSR initiatives will supplement its contribution to environment protection, development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct and social initiatives.

The CSR policy and Annual CSR Plan for the financial year were approved by the Board of Directors and is uploaded on MGL website. Copy of CSR Plan for 2014-15 is attached to this report.

The Policy provides for an annual CSR budget of 2% of its average net profit during the three immediately preceding financial years which will be utilized as under:

- Community Initiatives 90%
- Natural Calamity/Relief Fund for welfare of SC, ST, OBC, minorities 5%
- Training & Development of CSR personnel 5%

An allocation of 90% of the total CSR budget will be for Community initiatives in the thrust areas specified in the Schedule VII of Companies Act, 2013.

The implementation, monitoring and evaluation of CSR projects will be as per the guidelines in the Companies (Corporate Social Responsibility Policy) Rules 2014.

The Composition of the CSR Committee

The 3- member CSR Committee was approved by the Board of Directors in its 106th Board meeting held in March 2014. The Committee is constituted of the Managing Director, Technical Director and an Independent Director, who is the Chairman of the Committee.

The following are the members of the CSR committee

1. **Shri Santosh Kumar**, Independent Director.
2. **Shri V. C. Chittoda**, Managing Director (March 2014 – upto September 28, 2014) **Shri Rajeev Mathur**, Managing Director (September 29, 2014 onwards)
3. **Ms. Susmita Sengupta**, Technical Director

The Committee had 3 meetings since it was constituted.

Average profit of the company for last three financial years under Section 198 of Companies Act, 2013, is ₹446.10 crores.

Prescribed CSR Expenditure (two per cent of the average profit mentioned above)

The prescribed CSR expenditure of the Company for the financial year 2014-15 was ₹8.92 crores.

Details of amount spent on CSR activities during the financial year

₹2.45 crores were spent during the financial year 2014-15.

Amount unspent : ₹6.47 crores

Of the budget of ₹8.92 for CSR activities for 2014-15, ₹ 2.45 crores was utilised in the financial year for various CSR activities. Some of the projects were started midyear, therefore part of the project funds was disbursed this year and the balance fund will be disbursed in the coming financial year. For proper utilisation of CSR funds, sustainable projects through competent and credible agencies could not be identified in this financial year, therefore part of the fund remained unutilised.

The CSR Committee confirms that the implementation and the monitoring policy is in compliance of the CSR objectives and policy of the Company.

• Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹./lakhs)	Amount spent on the projects or Programs Subheads: (₹.) (1)Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency *
1.	Medical / special care unit for mentally challenged adults	Health care & medical facility	Local area	21.10	15,82,500	15,82,500	Association of Parents of Mentally Retarded Children (Adhar)
2.	MGL Unnati program for mentoring meritorious students from economically weaker sections for prestigious engineering institutions	Education & employment enhancing vocational skills	Local area	50	37,50,000	37,50,000	Centre for Social Responsibility and Learning (CSRL)
3.	One time payment to 3 students of CSRL batch 2013-14 for gaining entry to IIT/NIT		Local area	0.75	75,000	75,000	MGL
4.	Extending financial support for vocational skill training centre for mentally challenged adults		Local area	12.65	9,48,750	9,48,750	Association of Parents of Mentally Retarded Children (Adhar)
5.	Holistic development of children from the marginalized communities (slums)	Education & employment enhancing vocational skills	Local area	16	8,00,000	8,00,000	Magic Bus India Foundation
6.	Rehabilitation & Outreach program for street children		Local area	25.32	18,99,000	18,99,000	Shelter Don Bosco
7.	Setting up of centre for providing remedial services to children with learning disabilities and autism		Local area	5	2,50,000	2,50,000	Umang Charitable Trust
8.	Industrial Training Centre for tribal youth		Other	5	5,00,000	5,00,000	Setu Charitable Trust
9.	Supporting education & welfare of visually challenged children		Local area	2	2,00,000	2,00,000	Victoria Memorial School for the blind
10.	Family counselling centers for countering domestic violence	Promoting gender social equality & empowering women	Local area	43.57	21,78,900	21,78,900	Stree Mukti Sanghatana

ANNUAL CSR PLAN 2014-15

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹./lakhs)	Amount spent on the projects or Programs Subheads: (₹.) (1)Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency *
11.	Empowering poor urban women through skill enhancing training	Promoting gender social equality & empowering women	Local area	40.55	20,27,850	20,27,850	Parisar Bhagini Vikas Sangh
12.	Support to needy parents for the welfare of their mentally challenged children		Local area	5.66	5,66,000	5,66,000	Association of Parents of Mentally Retarded Children (Adhar)
13.	Setting up of veterinary ICCU for providing medical facilities to animals and bird	Environment/ Flora/ Fauna sustainability	Local area	12.23	12,23,000	12,23,000	Animal matters to Me -Mumbai
14.	Providing ambulance for stray animals			6	6,00,000	6,00,000	
15.	Rescue and welfare of animals & birds			1	1,00,000	1,00,000	
16.	Support for air conditioning of Convocation hall, a heritage structure recognised by UNESCO	Protection of National Heritage, Art and Culture	Local area	100	50,00,000	50,00,000	University of Mumbai
17.	Supporting training of Heena Sidhu, potential Olympic medal winner for shooting	Promoting National & Paralympic / Olympic sports	Local area	20	10,00,000	10,00,000	Foundation for Promotion of Sports and Games (FPSG)
18.	Setting up and monitoring of computer lab for MCGM school	Technology incubators within academic institutions	Local area	15	12,92,142	12,92,142	MGL
19.	CSR workshop for Senior Management and concerned officials	Training & Capacity Building of CSR personnel	Local area	40	1,21,349	1,21,349	Tata Institute of Social Science

The Company's Policy on Corporate Social Responsibility can be accessed at our website <http://www.mahanagargas.com/Content.aspx?Mkey=MTQ=&JKey=Mg>

(Technical Director)

(Managing Director)

(Chairman - CSR Committee)

Area	Environment/ Flora/ Fauna sustainability		Education & employment enhancing vocational skills						
	A/1	Other proposed activities	B/1	B/2	B/3	B/4	B/5	B/6	B/7
Detail/Summary	NGO associated with animal welfare activities such as animal & bird rescues, fostering, adoption, medical aid, animal birth control programs, vaccination programs & creating awareness in the community.	Other expected activities in the field of environment protection	"Project MGL Unnati" Providing free residential coaching for entrance exams to premier engineering institutions to 20 meritorious underprivileged children of taxi, auto, BEST and MSRTC drivers and mechanical staff and other underprivileged families.	Extending financial support for providing remedial services to children with learning disabilities and autism, irrespective of their religion, caste or financial background	Extending financial support to NGO Setu for setting up industrial training centre in remote interiors of the country for imparting employment, enhancing vocational skills to youth from under privileged families	Extending financial support to the vocational skill training centre for mentally challenged adults (men & women).	Associating with NGO for promoting education and skill development of under-privileged children from slum areas	Supporting education and welfare of visually impaired children.	Supporting skill enhancement of under-privileged children / street children
Organization	Animal matters to Me -Mumbai		CSRL	Umang	Setu Charitable Trust	Adhar	Magic Bus	Victoria Memorial School for Blind	Don Bosco shelters
Percentage wise budget	3.14%		14.66%						

Area	Promoting gender social equality & empowering women			
	C/1	C/2	C/3	Other expected activities
Detail/Summary	Annual expenses for supporting 5 family counseling centres run by the NGO. These centres provide relief to women in distress, encourage them to cope with difficult circumstances and situations, to improve interpersonal relationships, to motivate, guide and instill confidence, to reduce the rate of physical harassment faced by wives, to make family and women aware of the legal rights, to teach the women to protect themselves and inculcate determination to fight for justice, to strengthen the capacity of decision making, to guide and assist for de-addiction and to rehabilitate the families. This cost includes administrative expenses, awareness campaign, workshops for counsellors and activists and legal aid to the needy women.	Parisar Bhagini Vikas Sangha "Empowering the Urban Poor Women for a dignified life through skill development and training". Address the problems faced by the women waste pickers in Mumbai and to help them in selling and bargaining for their collected scrap by organising them in to 100 Self Help Groups (SHGs). The project also focuses on providing training to them on certain alternative skills like composting, gardening, housekeeping, cooking, old care and child care and biogas etc for their regular employment. 1000 women above the age of 18 years residing in slums of Mumbai, Navi Mumbai, Thane and Dombivali.	Supporting needy parents of 12 inmates of home for mentally challenged adults in order to extend the benefits to the economically backward parents of the differently abled people who are not able to pay the already subsidised maintenance charges at Adhar .	Other expected activities in the field of gender equality
Organization	Stree MuktiSangathana	Parisar Bhagini Vikas Sangha	Adhar	
Percentage wise budget	11.31%			

ANNUAL CSR PLAN 2014-15

Area	Health care & medical facility						Other Proposed Activities
	D/1	D/2	D/3	D/4	D/5	D/6	
Detail/Summary	Health check-up camps for taxi/auto drivers, authorities such as traffic police and fire personnel: To conduct atleast 12 free health check up camps in this year	Spreading general awareness about healthy living through distribution of booklets to various sections of society	"Mahasuraksha Yojna" Group Personal Accident cover for the drivers of CNG Vehicles (rickshaws and taxis). Insured against death or permanent disability for ₹1.0 lakh, children's education with maximum of ₹.50000/- for two children, Medical expenses upto ₹10000/-per accident for injury/fracture	Extending financial support for medical/ special care unit to mentally challenged adults	Financial support for air condition of Bai Jerbhai Wadia Hospital for Children	Financial support to alleviate the crushing effects of poverty and malnutrition, to help children reach their potential both physically and intellectually. Project in Thane-Bhiwandi belt in collaboration with Integrated Child Development Program of Govt. of Maharashtra.	Proposed activities
Organization	MGL	MGL	MGL	Adhar	MGL	FMCH	
Percentage wise budget	34.06%						

Area	Benefit - armed force veterans, war widows and their dependants	Protection of National Heritage, art and culture		National & Paralympics and Olympic Sports	Technology incubators within academic institutions approved by Central Govt
		F/1	F/2		
	E/1	F/1	F/2	G/1	H/1
Detail/Summary	Operatorship of 3 CNG stations allotted to families of Martyr's who lost their life during the Mumbai terror attack. A fixed monthly charges and sales linked incentive besides other administrative charges given to the families.	Supporting promotion of art and culture through various institutions associated with art and culture.	Contributing to restoration of heritage structures. Installation of Air-conditioning unit at Taraporewala Aquarium	Supporting talented sports persons from under privileged families. This support will be to supplement the training of such sports persons participating in nationally recognized sports	Imparting computer literacy at grass root level by setting up computer lab at MCGM School
	MGL	Various art & culture institutions	Mumbai University	Olympic Gold Quest	MCGM
Percentage wise budget	2%	13.19%		2.51%	1.88%

Area	Rural Development	Relief for Natural Calamities	Training of employees for CSR
		Other proposed activities	
Detail/Summary	Supporting rural development activities of the State Govt.	Prime Minister's Relief fund	The Government notification states that the company may build CSR capacities of their own personnel as well as those of their implementing agencies and such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.
Organization		State/Central Govt.	Social work/sciences institutions
Percentage wise budget	Not specified	Need based	2.51%

ANNEXURE -IV

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Issued in pursuance to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahanagar Gas Limited (CIN:U40200MH1995PLC088133) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter.

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. And the Company being in the business of Natural Gas distribution - CNG (transport) and PNG (domestic), the Special Acts as applicable to it are Petroleum and Natural Gas Regulatory Board Act, 2006 (PNGRB) and Gas Cylinders Rules, 2004 to be read with the norms issued by the Chief Controller of Explosives.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent that the Company has initiated corrective actions for the few aberrations pointed out in Internal Audit Reports with respect to adherence to the guidelines prescribed under PNGRB.

D. We further report that-

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the provisions pertaining to the constitution of the Board of Directors of the Company as provided in the Articles of Association of the Company.
 - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- E. We further report that there are reasonable systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, further;

Place : Mumbai
Date : June 30, 2015

- (i) The Company has paid compounding fees and verification charges aggregating to ₹7,81,18,000/- to Legal Metrology Department in response to Notices received under the Legal Metrology Act, 2009; and,
 - (ii) The Company is in the process of strengthening its system for compliance with the provisions of The Environment Protection Act, 1986 and the Rules made thereunder.
- F. We further report that during the audit period, none of the following events have taken place :
- I. Public/Rights/Preferential Issue of Shares/Sweat equity etc.
 - II. Redemption/buy back of securities.
 - III. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
 - IV. Merger/ Amalgamation/ Reconstruction, etc.
 - V. Foreign Technical Collaborations.

except that the Company has made the issue of unsecured Compulsorily Convertible Debentures (CCD's) on rights basis.

For Dholakia & Associates LLP,
(Company Secretaries)

CS Bhumitra V. Dholakia
Designated Partner
FCS- 977 CP No. 507



Building A Rich Culture- Contributing For Protection Of National Heritage Structures

MGL has been contributing for the protection of national heritage, art and culture by supporting restoration and beautification of heritage structures of national and state significance.

A REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Mahanagar Gas Limited present the Report on Corporate Governance for the year ended March 31, 2015.

CORPORATE GOVERNANCE PHILOSOPHY:

Mahanagar Gas Limited (MGL) strongly believes in following the systems and guidelines which shall be directed ensuring the fulfillment of Company's goals and objectives in a manner that adds to the value of our Company and is also beneficial for all stakeholders in the long term. Our Stakeholders include everyone ranging from the Board of Directors, Management, Shareholders to Customers, Suppliers, Employees, Bankers etc and the Society.

Your Company always strives to adhere to the principles of conducting business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the applicable laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

MGL, though presently an unlisted entity, voluntarily complies with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and a related Certificate of Compliance with Corporate Governance is obtained from the Statutory Auditors of our Company. This has enhanced the trust and confidence of the stakeholders. The Company has continually been strengthening business processes, systems, financial reporting, information security systems and disclosures, and standards of ethics.

Your Company has complied with the requirements of Companies Act, 2013 and voluntarily with Clause 49 of the Listing Agreement (except as identified in the Auditors Certificate as aforesaid, which your Company is now taking steps to regularize), by formulating and keeping in place various policies viz; Board Diversity Policy, Policy on Related Party Transactions, familiarization programme, Remuneration Policy etc. Vigil Mechanism has been set up to ensure transparency and enable directors and employees to report genuine concerns relating to the Company. The Company has placed on the website the details regarding establishment of such vigil mechanism. The Code of Conduct pursuant to the requirements of Companies Act, 2013 and Listing Agreement was approved by the Board of Directors and same is placed on the website of the Company.

COMPOSITION OF THE BOARD

The present composition of the Board of Directors of Mahanagar Gas Limited is in conformity with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has strived to achieve a balanced and diverse Board by inducting members from different fields who actively participate in the Meetings of the Board and its Committees and offer their valuable inputs in the decision making process and to the growth of the Company.

As on the date of March 31, 2015, the total Board comprises of the following:

1	Executive Directors - Non Independent Directors Viz; Managing Director and Whole Time Director	2
2	Non Executive – Non Independent Directors	3
3	Non Executive – Independent Directors	5
Total Strength		10

The Chairman of the Board is Non Executive – Non Independent Director.

PROFILE OF THE DIRECTORS

The Board of Directors of the Company comprises of members from various fields having experience and expertise therein viz; finances, law, technical, engineering, oil and natural gas etc. The varied experience of Directors has facilitated the Company in better decision making process. A brief profile of Directors is given below:

Mr. Shaleen Sharma, (DIN : 00202295) Chairman - Non Executive (Non Independent) Director upto May 27, 2015

Mr. Shaleen Sharma was the Chairman and Non Executive Director of the Company. He holds a Master's degree in Business Administration from the University of Lucknow. He has been serving on our Board as a Non Executive Director since June 25, 2012 as upto May 27, 2015 and has over 32 years of work experience. Prior to joining our Company, he was the Managing Director of Gujarat Gas Company Limited for five years. He has also worked with ONGC, GAIL (India) Limited and Petronet LNG Limited, handling many important business responsibilities including finalization and execution of India's first long term LNG sale and purchase agreement with RasGas, Qatar.

Mr. Rajeev Mathur, (DIN : 03308185) Managing Director (w.e.f. afternoon September 29, 2014)

Mr. Rajeev Mathur holds a Bachelor's degree in Mechanical Engineering from Regional Engineering College, Durgapur, Burdwan. He also holds a Master's Degree in Business Administration from the Jodhpur University. Mr. Rajeev Mathur is also an Associate Member of the Institution of Engineers. He is on our Board since September 29, 2014 and has over 28 years of work experience. Prior to joining our Company, Mr. Rajeev Mathur has served as an Executive Director (Marketing) at GAIL.

Mr. Vipin Chandra Chittoda, (DIN: 03053349) Managing Director (upto forenoon of September 29, 2014)

Mr. Vipin Chandra Chittoda holds a Bachelor's Degree in Electrical Engineering. He has served as the Managing Director in our Company from April 22, 2010 upto forenoon of September 29, 2014. He has rich experience of more than 34 years in Hydrocarbon Industry in Navratna Public Sector Undertakings at prominent positions. He started his career with a refining cum petrochemical company, Bongaigaon Refinery and Petrochemicals Limited (now an IOCL Company) in its infancy and subsequently joined Gas Authority of India Limited [now GAIL (India) Limited] in 1990. Mr. Vipin Chandra Chittoda, prior to his appointment as Managing Director in MGL, was a Zonal General Manager, GAIL heading marketing activities of Northern Zone and prior to that he was responsible for GAIL's Mumbai Zonal office for Natural Gas, Petrochemicals and Liquid Hydrocarbon marketing activities of GAIL in Maharashtra, Goa

and Daman / Silvassa, ERP-SAP implementation project covering Petrochemical complex, LPG plants, Natural Gas transmission and LPG transmission business of GAIL. Mr. Vipin Chandra Chittoda has rich experience of conceptualizing, engineering, planning, controlling, implementation, installation, commissioning and maintenance of large petrochemicals, refining, oil and gas projects. He has been in leadership position for about two decades. He also headed IT and instrumentation at UP Petrochemical complex, Pata and was responsible for erection, commissioning and successful operations of GAIL's flagship petrochemical project of about ₹2,600 Crores then.

Ms. Susmita Sengupta, (DIN : 06825311) Whole time Director

Ms. Susmita Sengupta holds a Bachelor's degree in Applied Sciences (Chemical Engineering) from the University of Waterloo and a Master's degree in Chemical and Petroleum Engineering from the University of Calgary, Alberta, Canada. She is a recipient of the Alberta Oil Sands Technology and Research Authority Scholarship. She is affiliated to Association of Professional Engineers of Ontario, Canada, Pipeline Inspectors' Certification, Canada and Gas Research Institute/Pipeline Research Council, International Non-Destructive Testing Committee, North East Gas Association, American Gas Association, American Society of Mechanical Engineers and American Institute of Chemical Engineers. She is on our Board since February 15, 2014. She has over 24 years of work experience. Prior to joining our Company, she has worked with DCP Midstream, Denver/Midland, Colorado/Texas, USA. She also served as Project Director, Project Management for ENOGEX/OGE, Oklahoma City, Oklahoma, USA, as Engineering Manager, Engineering & Corrosion Department for Vermont Gas Systems, Burlington, VT, USA, as Formal Leader, South East Region, Construction & Maintenance for MICHCON Gas Company, Detroit, Michigan, USA, as a Program Manager for British Gas Plc., London/ Loughborough, UK among others. During the span of her career, the responsibilities included managing all phases of project budget control and financial reporting, ensuring project execution, preparing and maintaining group business plan and budgets.

Mr. Apurva Chandra, (DIN : 02531655) Non Executive (Non Independent) Director

Mr. Apurva Chandra belongs to the 1988 batch of the Indian Administrative Service (Maharashtra Cadre) and is having a total experience of 26 years. He holds a Bachelor's degree in Civil Engineering and a Master's degree in Structural Engineering from the Indian Institute of Technology, New Delhi and a Diploma in Business Finance from the Institute of Chartered Financial Analysts of India. He has been on our Board as a representative of Government of Maharashtra, since April 02, 2013. He is currently the Principal Secretary (Industries), Government of Maharashtra. He has spent more than 7 years in the Ministry of Petroleum and Natural Gas, Government of India. He has also served on the Board of Directors of GAIL (India) Limited and Petronet LNG Limited.

Mr. M. Ravindran, (DIN: 02309551) Non-Executive (Non Independent) Director (upto May 27, 2015)

Mr. M. Ravindran is a Non-Executive Director of the Company. He holds a Bachelor's degree in Mechanical Engineering from Regional Engineering College, Kurukshetra University. He has been serving on our Board as a Non-Executive Director since June 01, 2013 as upto May 27, 2015. He has over 25 years of work experience. Prior to joining our Company, he has served as the Managing Director of Indraprastha Gas Limited ("IGL"), a Joint Venture of GAIL and BPCL. He presently holds the position of Director (HR) with GAIL (India) Limited and also as the Chairman of Indraprastha Gas Limited.

Dr. Basudeb Sen, (DIN: 00056861) Non-Executive (Independent Director)

Dr. Basudeb Sen is an Independent Director of the Company. He holds a Master's degree in Economics from the University of Calcutta and has completed his doctorate from the Indian Statistical Institute. He has been serving as an Independent Director on our Board since March 21, 2006. In compliance with the provisions of Companies Act, 2013, Dr. Basudeb Sen was re-appointed as an Independent Director from March 05, 2015 for a period of 2 (two) years, for a term upto March 04, 2017. He has over 34 years of work experience. Prior to joining our Company, he has served as the Chairman and Managing Director of the Industrial Investment Bank of India Limited and as an Executive Director of the Unit Trust of India. He served in various executive positions in United Bank of India, Coal India Limited and Industrial Development Bank of India. During the last three decades, Dr. Sen has served as non-executive Director in several listed and unlisted companies in sectors like textiles, electronics, steel, jute, engineering, power, financial services, chemicals, tea, hotels and consumers goods. He also served on committees and working groups set up by SEBI, RBI and domestic financial institutions and industry associations.

Mr. Jainender Kumar Jain, (DIN : 00066452) Non-Executive (Independent Director)

Mr. J.K. Jain is an Independent Director of the Company. He holds a Bachelor's degree in Commerce from Vikram University, Ujjain and he is also a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. He has been serving as an Independent Director on our Board since January 02, 2008. In compliance with the provisions of Companies Act, 2013, Mr. J.K. Jain was re-appointed as an Independent Director from March 05, 2015 for a period of 2 (two) years upto March 04, 2017. He has over 32 years of work experience. Prior to joining our Company, he was the Director (Finance) in GAIL from 1996 to 2005. He is also a Director on the Board of Jamna Auto Industries Limited and English Indian Clays Limited. He has extensive experience in the areas of Finance, Investment, Funding, Compliance, Corporate Governance, Risk Management, etc.

Mr. Santosh Kumar, (DIN : 00239324) Non-Executive (Independent Director)

Mr. Santosh Kumar is an Independent Director of the Company. He holds a Bachelor's degree in Electrical Engineering from the University of Allahabad. He has been serving as an Independent Director on our Board since July 21, 2011. In compliance with the provisions of Companies Act, 2013, Mr. Santosh Kumar was re-appointed as an Independent Director, from the date of conclusion of the 19th AGM of the Company held on September 29, 2014 for a period of 2 (two) years up to the conclusion of 21st Annual General meeting of the Company to be held in the financial year 2016-17. He has over 39 years of work experience. Prior to joining our Company, he was the Director (Projects) in GAIL from 2006 to 2009. He was also the Chairman of Green Gas Limited and Maharashtra Natural Gas Limited and Director on the Board of Central UP Gas Limited, and Gujarat State Energy Generation Limited. He was also an advisor with Gujarat State Petronet Limited from 2009-10.

Mr. Arun Balakrishnan, (DIN : 00130241) Non-Executive (Independent Director)

Mr. Arun Balakrishnan is an Independent Director of the Company. He holds a Bachelor's degree in Chemical Engineering from the University of Calicut. He also holds a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore and has over 35 years of work experience. He has been serving as an Independent Director on our Board since July 21, 2011. In compliance with the provisions of Companies Act, 2013, Mr. Arun Balakrishnan was re-appointed as an Independent Director, from the date of conclusion of the 19th AGM of the Company, held on September 29, 2014, for a period of 2 (two) years up to the conclusion of 21st Annual General meeting of the Company to be held in the financial year 2016-17. Prior to joining our Company, he was the Chairman and Managing Director of Hindustan Petroleum Corporation Limited.

Mr. Raj Kishore Tewari, (DIN : 07056080) Non-Executive (Independent Director) (w.e.f. March 05, 2015)

Mr. Raj Kishore Tewari is an Independent Director on our Board since March 05, 2015. He holds a Bachelors Degree in Science and a Master's Degree in Physics from the University of Lucknow. Mr. Tewari also holds Master's Degree in Fiscal Studies from the University of Bath, U.K. and LLB from the University of Mumbai. Mr. Raj Kishore Tewari is a recruited officer of the Indian Revenue Service and has been a part of the Direct Taxes Administration since 1976. Mr. Raj Kishore Tewari has expertise and wide experience of around 38 years in matters relating to direct taxes and has retired as a Member and Chairman of the Central Board of Direct Taxes (CBDT). He has been actively involved in formulation, implementation and administration of Direct Taxes policy of the Government of India. As a Member / Chairman of CBDT, Mr. Raj Kishore Tewari has attended international seminars/conferences, i.e. Commonwealth Association of Tax Administrators (CATA) seminar at Malta in October 2012;

International Tax Dialogue (ITD) seminar at Marrakesh, Morocco in December 2013; and, Inter-American Centre of Tax Administration conference at Rio De Janeiro, Brazil in May 2014 and effectively projected India's position.

Mr. Shahram Jahanbani, (DIN : 05339758) Non-Executive (Non Independent) Director (upto March 26, 2015)

Mr. Shahram Jahanbani was a Non-Executive Director of the Company. He holds a Bachelor's degree in Chemistry and Technology from the University of York and is a member of the Institute of Chartered Accountants of England and Wales. He has served on our Board from October 25, 2012 to March 26, 2015. He has over 25 years of work experience. Prior to joining our Company, he was the Director (Finance) at Rashpetco, a joint venture in partnership with the Egyptian National Gas Company, Petronas and Edison. His responsibilities included all aspects of finance including treasury, production of partnership accounts, management accounting, project accounting (for projects in excess of \$ 1.0 billion), budgeting, planning and taxation.

Mr. Pankaj Kumar Pal, (DIN : 03392507) Non-Executive (Non Independent) Director (upto March 26, 2015)

Mr. Pankaj Kumar Pal was a Non-Executive Director of the Company. He holds a Bachelor's degree in Electronics and Telecommunications from the Bengal Engineering and Science University, Shibpur. He has served on our Board from May 28, 2013 to March 26, 2015. He has more than 34 years of work experience, out of which 27 years he spent in all spheres of natural gas, having served at various GAIL sites in diverse areas like pipeline design engineering, construction etc. He is currently responsible from conceptualization to finalization of the project of City Gas Distribution System at Bengaluru of GAIL along with project engineering. Presently, he is the Chief Executive Officer (CEO) of GAIL Gas Limited.

Note: - Details of any change in the Board of Directors and Committees thereof after March 31, 2015 will be reflected in the Report on Corporate Governance, for the subsequent year.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2014 – 15

The Board of Directors met 8 (eight) times during the Financial Year 2014 -15, i.e. on June 18, 2014, September 04, 2014, September 29, 2014, December 02, 2014, December 10, 2014, December 18, 2014, February 03, 2015 and March 26, 2015. The following are details of attendance of the Directors at the Board Meetings held during the Financial Year 2014-15.

Sr No.	Name of the Director	Category	No. of Board Meetings	Attendance at AGM held on September 29, 2014
1.	Mr. Shaleen Sharma	Chairman and Non Executive Director	8 out of 8	Yes
2.	Mr. V. C Chittoda (upto forenoon of September 29, 2014 – upto conclusion of AGM of 2014)	Managing Director	3 out of 3	Yes
3.	*Mr. Rajeev Mathur (w.e.f. afternoon September 29, 2014 and after the AGM)	Managing Director	5 out of 5	Not Applicable
4.	Ms. Susmita Sengupta	Whole Time Director	7 out of 8	Yes
5.	Mr. Shahram Jahanbani (upto March 26, 2015)	Non Executive (Non Independent Director)	7 out of 8	Yes
6.	Mr. Pankaj Pal (upto March 26, 2015)	Non Executive (Non Independent Director)	6 out of 8	Yes
7.	Mr. M. Ravindran	Non Executive (Non Independent Director)	6 out of 8	Yes
8.	Mr. Apurva Chandra	Non Executive (Non Independent Director)	4 out of 8	Yes
9.	Mr. J. K. Jain	Non Executive (Non Independent Director)	5 out of 8	Absent
10.	Mr. Santosh Kumar	Non Executive (Non Independent Director)	7 out of 8	Yes
11.	Dr. Basudeb Sen	Non Executive (Non Independent Director)	8 out of 8	Yes
12.	Mr. Arun Balakrishnan	Non Executive (Non Independent Director)	7 out of 8	Yes
13.	*Mr. Raj Kishore Tewari (w.e.f. March 05, 2015)	Non Executive (Non Independent Director)	0 out of 1	Not Applicable

* Attendance of Directors is considered from the date of their joining the Company.

Invitees and Proceedings of the Board Meeting:

Apart from the Board members, the Company Secretary and the Chief Financial officer (CFO) are invited to attend all the Board Meetings. Other senior management executives also participate as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance. For items of Agenda relating to any specific department or function, a presentation relating to such items are made by the respective functional Head at the Board Meeting.

Company Secretary acts as a Secretary to the Board and Committees of the Board.

Other Directorships

None of the Directors, is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 listed companies. Further, none of the Directors acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all public limited Companies in which he/she is a Director.

1. The details of the Directorships, Chairmanships and the Committee memberships in other Companies held by the Directors as on March 31, 2015, pursuant to Companies Act, 2013, are given below:-

Sr No.	Name of the Director	Other Directorships	Membership / Chairmanship in other Committees
1.	Mr. Shaleen Sharma	2	NIL
2.	Mr. V. C. Chittoda	NIL	NIL
3.	Mr. Rajeev Mathur	NIL	NIL
4.	Ms. Susmita Sengupta	NIL	NIL
5.	Mr. M. Ravindran	5	7
6.	Mr. J. K. Jain	2	5
7.	Mr. Santosh Kumar	1	2
8.	Mr. Arun Balakrishnan	9	7
9.	Mr. Pankaj Kumar Pal (*)	2	NIL
10.	Mr. Shahram Jahanbani (*)	NIL	NIL
11.	Mr. Apurva Chandra	4	NIL
12.	Dr. Basudeb Sen	3	5
13.	Mr. Raj Kishore Tewari (@)	NIL	NIL

(*) Up to March 26, 2015. (@) w.e.f. March 05, 2015.

3. Remuneration to Non Executive (Non Independent Directors)

The Company has not paid any remuneration or made any reimbursement to any Non Executive (Non Independent Director) for attending meetings during the Financial year 2014-15.

5. Commission to Non-Executive Independent 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 Independent 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.

Following are the details of Commission paid to the following Independent Directors for the Financial Year 2013- 14: ₹ in Lakhs

Sr. No.	Name of the Director	No. of Board meetings attended	Amt. payable	Chairmanship held for Committee meetings								Total Amt
				Audit	Amt. payable	Finance	Amt payable	Remuneration	Amt. payable	Other	Amt. payable	
1	Dr. Basudeb Sen	5	3.00	5	0.50	-	-	4	0.40	-	-	3.90
2	Mr. J.K Jain	6	3.00	-	-	4	0.40	-	-	6	0.60	4.00
3	Mr. Santosh Kumar	5	3.00	-	-	-	-	-	-	-	-	3.00
4	Mr. Arun Balakrishnan	6	3.00	-	-	-	-	-	-	-	-	3.00
	Total		12.00		0.50		0.40		0.40		0.60	13.90

- Notes:**
- Total 6 Board Meetings held during the F.Y. 2013-14
 - The above calculations have been made, as per the method detailed below:
 - If the attendance in the Board Meeting is 80% or more - No. of Meeting HELD X ₹ 50,000
 - If the attendance in the Board Meeting is less than 80% - No. meeting ATTENDED X ₹ 50,000
 - Additional payment of ₹10,000/- payable for chairing Committee meetings.
 - The total amount payable to each Non Executive Independent Director is subject to the maximum limit of INR 4 lacs. The Commission to be paid to Non-Executive Independent Directors for the financial year 2014 -15 shall be approved in the financial year 2015-16 and shall be disclosed in the Report on Corporate Governance pertaining to F.Y.2015-16.

2. Sitting Fees: The Sitting fees paid to the Independent Directors during the Financial Year 2014 - 15 is as per details given below:

₹ in Lakhs

Sr. No.	Name of the Director	Number of Meetings Attended				Amount Paid as sitting fees (upto 03.09.2014 is ₹ 20,000 per Meeting of the Board and it's committees and after 04.09.2014 sitting fees payable per committee meeting is @ ₹ 25,000/- and @ ₹ 30,000 /- per Board Meeting)
		Board	Audit Committee	Finance Committee	Other Committees	
1.	Dr. Basudeb Sen	8	5	-	1	3.70
2.	Mr. J.K. Jain	5	4	4	5	4.45
3.	Mr. Santosh Kumar	7	4	4	4	4.80
4.	Mr. Arun Balakrishnan	7	5	5	4	5.20
	Total					18.15

4. Remuneration to Executive Directors of the Company

The disclosure relating to Remuneration paid to Executive Directors i.e. Managing Director and Whole Time Director (Technical Director) is disclosed in the Directors' Report of the Company.

Familiarization Programme for the Directors

Our Company has put in place a system to familiarize the Board members, especially the Independent Directors and Non-Executive Directors, about the Company by updating them with various events and developments taking place in the Company in particular and the Industry, as a whole. Besides, the roles and responsibilities of the Independent Directors are entailed in their formal appointment letters.

Incidentally, as a part of updation, a detailed presentation was made on the salient features of the Companies Act, 2013 well in advance and periodical changes there in are provided to the Board continuously. This leads to keeping the Board of Directors aware of the changing regulatory frame work and the Directors are able to realign their contribution, accordingly. As an additional step in this direction, to ensure proactive compliance with the Listing Agreement, the Directors are also provided with inputs on the various processes in the operations of the Company, its policies and procedures, systems, as and when necessary and copies of all significant corporate documents are also forwarded to the Directors for their understanding and ensuring compliance, as applicable.

Code of Conduct for the Board, Senior Management Personnel and Managerial Personnel

Code of Conduct for the Board, Senior Management Personnel and Managerial Personnel in compliance with the requirements of the Companies Act, 2013 and Clause 49 of Listing Agreement was formulated and the same was approved by the Board of Directors at its meeting held on February 03, 2015. The Code of Conduct is also published on the website of the Company and it is formulated with a purpose to ensure good corporate governance and ethical and transparent process in managing the affairs of the Company.

Declaration

I hereby confirm that the Company has obtained from all the Members of the Board and Management Personnel, affirmation that have complied with the Code of Conduct for the financial year 2014-15.

Place : Mumbai
Date : June 29, 2015

(Rajeev Mathur)
Managing Director

Independent Directors' Meeting

In compliance with the requirements of Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement and applicable provisions thereof, a meeting of Independent Directors was held on March 26, 2015 where the Directors had discussed on matters relating to a) review of performance of non-independent directors and the Board as a whole b) review the performance of the Chairperson of the Company, taking into

account the views of executive directors and non-executive directors. c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

The Company had constituted the below mentioned committees in pursuance with the mandatory requirements of the erstwhile Companies Act, 1956 and has voluntarily complied with the requirements of the Clause 49 of the Listing Agreement.

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Finance Committee
- IPO Sub Committee
- CSR Committee
- Shareholders' Issues and Grievance Redressal Committee

Audit Committee (upto 25.03.2015)

The Audit Committee comprised of below – mentioned 6 (Six) Members of the Board, as on March 25, 2015:

Dr. Basudeb Sen	Chairman - Independent & Non Executive Director
Mr. J.K. Jain	Independent & Non Executive Director (Member)
Mr. Santosh Kumar	Independent & Non Executive Director (Member)
Mr. Arun Balakrishnan	Independent & Non Executive Director (Member)
Mr. Shahram Jahanbani	Non Executive Director (Member)
Mr. Pankaj Kumar Pal	Non Executive Director (Member)

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 to the Company at present) and also as required under Section 292A of the erstwhile 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.

Audit Committee attendance upto the period March 25, 2015:

For a period commencing from April 01, 2014 to March 25, 2015, the Audit Committee conducted 5 (five) meetings, i.e. on June 17, 2014, September 03, 2014, December 01, 2014, February 03, 2015 and March 25, 2015 respectively:

Attendance by the Members of the Committee for the Audit Committee Meetings held from a period commencing from April 01, 2014 to March 25, 2015 is as under:

Sr. No.	Name of the Director	Number of Audit Committee Meetings Attended
1.	Dr. Basudeb Sen	5 out of 5
2.	Mr. J.K. Jain	4 out of 5
3.	Mr. Santosh Kumar	4 out of 5
4.	Mr. Arun Balakrishnan	5 out of 5
5.	Mr. Shahram Jahanbani	4 out of 5
6.	Mr. Pankaj Kumar Pal	4 out of 5

Nomination Committee (upto March 25, 2015)

The Nomination Committee comprised of below – mentioned 2 Members of the Board as on March 25, 2015 :

Mr. Shahram Jahanbani	Non Executive Director
Mr. M. Ravindran	Non Executive Director

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.

Remuneration Committee (From the period April 01, 2014 to March 25, 2015)

The Remuneration Committee comprised of following 3 Members of Board as on March 25, 2015 :

Dr. Basudeb Sen	Chairman - Independent & Non Executive Director
Mr. Shahram Jahanbani	Non Executive Director (Member)
Mr. M. Ravindran	Non Executive Director (Member)

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 BG Asia Pacific Holdings Pte Ltd (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.

For the period commencing from April 01, 2014 to March 25, 2015 only 1 (one) meeting of the Remuneration Committee i.e on September 29, 2014 was held as per the detail given below;

Details of Attendance of Members of Remuneration Committee meetings held for the period commencing from the period April 01, 2014 to March 25, 2015:

Sr. No.	Name of the Director	Number of Remuneration Committee Meetings Attended
1.	Dr. Basudeb Sen	1 out of 1
2.	Mr. Shahram Jahanbani	1 out of 1
3.	Mr. M. Ravindran	1 out of 1

Finance Committee (From the period April 01, 2014 to March 25, 2015)

The Finance Committee comprised of below mentioned 7 Members of the Board as on March 25, 2015 :

Mr. J.K. Jain	Chairman - Independent & Non Executive Director
Mr. Santosh Kumar	Independent & Non Executive Director (Member)
Mr. Arun Balakrishnan	Independent & Non Executive Director (Member)
Mr. Shahram Jahanbani	Non Executive Director (Member)
Mr. M. Ravindran	Non Executive Director (Member)
Mr. V.C. Chittoda (upto forenoon of September 29, 2014)	Executive Director (Member)
Mr. Rajeev Mathur (w.e.f. afternoon of September 29, 2014)	Executive Director (Member)
Ms. Susmita Sengupta	Executive Director (Member)

Mr. V. C. Chittoda, Executive Director has ceased to be Member of Finance Committee w.e.f. afternoon of September 29, 2014 and subsequently Mr. Rajeev Mathur, Executive Director is appointed as a Member in his place.

Finance Committee Charter:

The Finance Committee shall have the powers which included 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 ₹50.0 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.

The Finance Committee held its meetings on June 17, 2014, September 03, 2014, September 04, 2014 (adjourned), December 01, 2014, February 03, 2015 and March 20, 2015 respectively for a period commencing from April 01, 2014 to March 25, 2015.

The attendance of Members during the Finance Committee meetings held for the period commencing from April 01, 2014 to March 25, 2015 is given below:

Sr.No.	Name of the Director	Number of Finance Committee meetings Attended
1.	Mr. J.K. Jain	4 out of 5
2.	Mr. M Ravindran	4 out of 5
3.	Mr. Shahram Jahanbani	4 out of 5
4.	Mr. Arun Balakrishnan	5 out of 5
5.	Mr. Santosh Kumar	4 out of 5
6.	Mr. V. C Chittoda (upto forenoon of September 29, 2014)	2 out of 2
7.	Mr. Rajeev Mathur (w.e.f. afternoon of September 29, 2014)	3 out of 3
8.	Ms. Susmita Sengupta	5 out of 5

- The attendance of Members is calculated on the basis of their attendance in the meetings from the date of their joining the organization.

IPO Sub Committee (from the period April 01, 2014 to March 25, 2015)

The IPO Sub Committee (Project Jasmine Committee) consisting of 3 members of the Board as mentioned below :

Mr. J. K. Jain	Chairman - Independent and Non Executive Director
Mr. Shahram Jahanbani	BG Nominee and Non-Executive Director (Member)
Mr. Pankaj Kumar Pal	GAIL Nominee and Non-Executive Director (Member)

IPO Sub Committee (IPOSC) Charter:

- To decide on the activity plan and timelines for execution of the IPO.
- To advise 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 constitute the IPO Execution Committee to carry out day-to-day activities and coordinate with external advisors as necessary and to delegate to the Execution Committee such powers, from within the scope of the authority of the Steering Committee, as are appropriate.
- To approve the appointment and decide on the scope and fees of the key advisors and intermediaries including the Auditor for the issue required for the delivery of the IPO. To authorise IPO Execution Committee and/or MGL

management to appoint such approved advisors and intermediaries.

- To authorise and approve the incurring of all the expenditure and payment of fees in connection with the IPO of the Company.
- Open one or more designated separate current account(s) with a Bank(s) to receive applications along with application monies in respect of the Issuance Compulsorily Convertible Debentures, refund of Compulsorily Convertible Debentures or any other account with any name and style as required during or after the process of the forthcoming Issuance of Compulsorily Convertible Debentures of the Company.
- Do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the Compulsorily Convertible Debentures as permissible in law, issue of Compulsorily Convertible Debentures Certificates and or credit of Compulsorily Convertible Debentures in electronic mode or physical mode in accordance with the relevant rules as the case may be including maintenance of such records and to update the same periodically, as required.
- Settle any question, difficulty or doubt that may arise in connection with the including the issue and allotment of the Compulsorily Convertible Debentures attached thereto, as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt.
- To consider, deliberate and make recommendations to the MGL Board on the following issues:
 - FIPB obligations and engagement plan;
 - Engagement with Government of Maharashtra (GoM) and Issuance of 9.5% shares to GoM ;
 - Finalisation of business plan and valuation;
 - Target IPO price band.
- To consider, deliberate and make decisions on the following issues based on recommendations from the IPO Execution Committee and the Promoters:
 - Offer document;
 - Regulation strategy;
 - IPO Marketing strategy;
 - Any other issue raised by the IPO Execution Committee in relation to the IPO or otherwise within the scope of these terms of reference.
- To approve the appointment, roles and responsibilities;

terms and conditions, scope of work of the Book Running Lead Manager (BRLM), Domestic Legal Counsel (DLC), International Legal Counsel (ILC), Merchant banker and other key advisors and intermediaries required for the successful completion of the IPO.

- To approve the process / procedure to be followed by MGL Executive Management to appoint the Book Running Lead Manager (BRLM), Domestic Legal Counsel (DLC) and International Legal Counsel (ILC) and other consultants and advisories to undertake the MGL IPO task.
- To administer the Contract with respect to various intermediaries involved including extension of time limit as may be necessary from time to time.
- 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.
- To provide monthly updates to MGL Board, and also provide updates as and when required by MGL Board, on the progress of the IPO process.
- Subject to these terms of reference, the Steering Committee shall have the power to regulate its own proceedings.

IPO Sub Committee held 6 (Six) meetings for a period commencing from April 01, 2014 to March 25, 2015 i.e on May 08, 2014, June 17, 2014, September 03, 2014, December 01, 2014, January 05, 2015 and March 25, 2015 respectively.

The attendance of the Members in the IPO Sub Committee meetings held from the period April 01, 2014 to March 25, 2015 are as follows:

Sr. No.	Name of the Director	Number of IPO Sub Committee Meetings Held	Number of IPO Sub Committee Meetings Attended
1	Mr. J.K. Jain	6	5 out of 6
2	Mr. Shahram Jahanbani	6	5 out of 6
3	Mr. Pankaj Kumar Pal	6	4 out of 6

Corporate Social Responsibility Committee (CSR Committee) from the period April 01, 2014 to March 25, 2015:

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 following 3 Board Members:

Mr. Santosh Kumar	Chairman - Independent & Non Executive Director
Mr. V. C. Chittoda (upto forenoon of September 29, 2014)	Executive Director (Member)
Mr. Rajeev Mathur (w.e.f. afternoon of September 29, 2014)	Executive Director (Member)
Ms. Susmita Sengupta	Executive Director (Member)

CSR Committee's 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.

4 meetings of CSR Committee were held for a period commencing from April 01, 2014 to March 25, 2015, i.e on April 16, 2014, June 17, 2014, December 01, 2014 and March 25, 2015.

The attendance of the Members in the CSR Committee meetings held from the period April 01, 2014 to March 25, 2015 :

Sr. No.	Name of the Director	Number of CSR Committee Meetings Attended
1	Mr. Santosh Kumar	4 out of 4
2	Mr. V. C. Chittoda (upto forenoon of September 29, 2014)	2* out of 2
3	Mr. Rajeev Mathur (w.e.f. afternoon of September 29, 2014)	2* out of 2
4	Ms. Susmita Sengupta	4 out of 4

The attendance of Members is calculated on the basis of their attendance in the meeting from the date of their joining the organization.

Shareholders' Issues and Grievances Redressal Committee:

The Shareholders' Issues and Grievances Redressal Committee consisting of 5 (Five) Members of the Board as mentioned below:

Mr. Apurva Chandra	Non Executive Director
Mr. M. Ravindran	Non Executive Director
Mr. Pankaj Kumar Pal	Non Executive Director
Mr. Shahram Jahanbani	Non Executive Director
Ms. Susmita Sengupta	Executive Director

No meeting of Shareholders Issues and Grievances Redressal Committee was held for a period commencing from April 01, 2014 to March 25, 2015.

RECONSTITUTION OF COMMITTEES

In pursuance of the provisions of the Companies Act, 2013 and requirements of the revised Clause 49 of the Listing Agreement and with a view to enable better administrative convenience, the Board of Directors at its meeting held on March 26, 2015, constituted/ re-constituted the following Committees of the Board :

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) CSR Committee
- e) IPO Committee

Audit Committee

Audit Committee reconstituted as on March 26, 2015, has the following members:

Mr. J.K. Jain	Chairman – Non Executive Independent Director
Mr. Arun Balakrishnan	Non Executive Independent Director (Member)
Mr. Santosh Kumar	Non Executive Independent Director (Member) ^{in 8.27}
Mr. Shaleen Sharma	Non Executive Director (Member)
Mr. M. Ravindran	Non Executive Director (Member)

Managing Director (presently Mr. Rajeev Mathur) and Whole Time Director (presently Ms. Susmita Sengupta) shall be the Permanent Invitees of the Committee.

No meeting of re-constituted Audit Committee was held for a period commencing from March 26, 2015 to March 31, 2015.

Powers of Audit Committee:

The Audit Committee shall have 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;
- To secure attendance of outsiders with relevant expertise, if it considers necessary; and,
- To have full access to the information contained in the records of the Company.

Role and Terms of Reference of Audit Committee:

The role of the Audit Committee shall include the following:

1. 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;
2. Review and recommend for approval to the Board - proposals on Borrowings and proposals on non- fund based facilities from banks;
3. Review and recommend for approval to the Board - Business Plan;
4. Review and recommend for approval to the Board - capital expenditure proposals exceeding authority limit of SMG but not exceeding ₹ 50.0 Crores;
5. Review and recommend for approval to the Board - treasury policies of MGL;
6. Review and recommend for approval to the Board -Corporate Annual Budget and Revised Estimates;
7. To review PNG and CNG Pricing Policy at least on a quarterly basis and to recommend to the Board for approval, change required in it, if any;
8. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal, cost and statutory auditors and the fixation of audit fees;
9. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
10. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub Section 3 of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;

- (f) Disclosure of any related party transactions; and,
- (g) Qualifications in the draft audit report.

11. Reviewing, with the management, the quarterly and annually financial statements and such other periodical statements before submission to the board for approval;
12. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in the matter;
13. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
14. Approval or any subsequent modification of transactions of the company with related parties;
15. Scrutiny of inter-corporate loans and investments;
16. Valuation of undertakings or assets of the company, wherever it is necessary;
17. Evaluation of internal financial controls and risk management systems;
18. Reviewing, with the management, performance of statutory, cost and internal auditors, adequacy of the internal control systems;
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
20. Discussion with internal auditors any significant findings and follow up there on;
21. 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;
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
23. 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;
24. To formulate the scope, functioning, periodicity and

methodology for conducting the internal audit in consultation with the internal auditor;

25. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, Listing Agreement and other applicable Rules and Regulations.

Explanation:

- (i) The term "related party transactions" shall have the same meaning as provided in Section 188 of the Companies Act, 2013 and Clause 49 (vii) of the Listing Agreement and such other applicable provisions.

Review of information by the Audit Committee :

The Audit Committee shall mandatorily review the following information:

- (i) Management discussion and analysis of financial condition and results of operations;
- (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management shall lay down the criteria for granting the omnibus approvals in line with the Related Party Transaction Policy of the Company and the Listing Agreement;
- (iii) It shall also define Statement of significant Related Party transactions to be submitted by management;
- (iv) Details of all material transactions with related parties to be disclosed quarterly along with the compliance report on Corporate Governance;
- (v) Audit Committee to monitor whether the policy dealing with Related Party transactions is placed on the website thereto to be presented in the Annual Report;
- (vi) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (vii) Internal audit reports relating to internal control weaknesses;
- (viii) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- (ix) Establishing and monitoring of a Vigil Mechanism for protection of interest of the stake holders and employees

and the same shall also provide for access to the Chairman of the Audit Committee to any person for addressing his concern, as applicable and provided.

The Company has in place Whistle Blower Policy and no person has been denied access to the Audit Committee in this regard.

Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted as on March 26, 2015 with the following members:

Mr. Arun Balakrishnan	Chairman – Non Executive Independent Director
Dr. Basudeb Sen	Non Executive Independent Director (Member)
Mr. Shaleen Sharma	Non Executive Director (Member)
Mr. M. Ravindran	Non Executive Director (Member)

Managing Director (presently Mr. Rajeev Mathur) and Whole Time Director (presently Ms. Susmita Sengupta) shall be the Permanent Invitees of the Committee.

No meeting of Nomination and Remuneration Committee was held for the period commencing from March 26, 2015 to March 31, 2015.

Terms of Reference and Role of the Nomination and Remuneration Committee:

The role of the Nomination and Remuneration Committee shall inter-alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Evaluating 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 and 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 recommend termination of membership of individual Directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
- To recommend to the Board regarding the appointment, promotion and removal of the senior management personnel at such level/s;
- To review, amend, modify and approve all other Human Resources related Policies of the Company from time to time;
- To review and recommend to the Board, Manpower Plan / budget, sanction of new senior management positions from time to time in future;
- To review and recommend to the Board, matters relating to revision of compensation / salary and long term wage settlements;
- To review with the Management, all HR related issues from time to time so as to maintain harmonious employer-employee relations;
- To periodically 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.

Evaluation of the performance of the Board

The Nomination and Remuneration Committee, constituted on March 26, 2015, formulated the criteria for the evaluation of the individual Directors and the Board as a whole.

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee was constituted as on March 26, 2015 with the following members:

Dr. Basudeb Sen	Chairman – Non Executive Independent Director
Technical Director currently Ms. Susmita Sengupta	Executive Director (Member)
Managing Director currently Mr. Rajeev Mathur	Executive Director (Member)

No meeting of Stakeholders' Relationship Committee was held for the period commencing from March 26, 2015 to March 31, 2015.

Terms of Reference and Functions and Powers of Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible to resolve the grievances and complaints of all the Security Holders. The functions of the Stakeholders' Relationship Committee include the following:

- Collecting and analysing reports received periodically from Registrar and Share Transfer Agent (RTA) on the following:
 - Requests regarding Non-receipt of the Shares, Debentures, Deposit receipt, declared Dividend or interest;
 - Requests regarding Non-receipt of the notice of Annual General Meeting, Balance Sheet and Profit & Loss Account Statement;
 - Complaints of investors routed by SEBI or Stock Exchanges and others;
 - Transfer, Sub-division, consolidation, split, exchange, endorsement, transmission of share certificates, transposition of share certificates;
 - issue of Share Certificates, Debenture Certificates, Duplicate Share or Debenture Certificates in lieu of lost/torn/mutilated /defaced certificates;
 - Request relating to dematerialisation and rematerialisation of shares; and,
 - Request relating to modes of paying the Dividend i.e. through Electronic clearing service, RTGS and issue of Dividend Warrant for dividend payment/Interest etc.
- Other matters related to or arising out of Shareholders'/ investors services including preparation and approval of periodical reports.

Corporate Social Responsibility Committee

Corporate Social Responsibility Committee was reconstituted as on March 26, 2015 with the following members:

Mr. Santosh Kumar	Chairman – Non Executive Independent Director
Managing Director currently Mr. Rajeev Mathur	Executive Director (Member)
Technical Director currently Ms. Susmita Sengupta	Executive Director (Member)

No meeting of CSR Committee was held for the period commencing from March 26, 2015 to March 31, 2015.

Terms of Reference and Functions and Powers of the CSR Committee

Following are the functions and powers of the CSR Committee including those as enumerated in the Companies Act, 2013 and Rules made there under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy and subsequent amendments as required from time to time.
- To ensure that the Corporate Social Responsibility Policy shall include/ indicate the activities to be undertaken by the Companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business.
- To monitor the Corporate Social Responsibility Policy by instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company from time to time.
- To recommend the annual budget for the Corporate Social Responsibility activities of the Company in compliance with the relevant statutory provisions.
- 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.
- To explain to the Board of Directors of the Company, if the Company fails to spend the prescribed amount within the financial year.
- To provide updates to the Board at regular interval of six months on the Corporate Social Responsibility Activities.
- Subject to these terms of reference, the Corporate Social Responsibility Committee shall have the power to regulate its own proceedings.
- To review and recommend the CSR plan for the ensuing financial year to the Board of Directors.
- To approve any project that may come during the year and which is not covered in the CSR Plan up to such amount as may be prescribed by the Board of Directors from time to time.
- Such other functions as may be prescribed.

IPO COMMITTEE

IPO Committee was reconstituted as on March 26, 2015 with the following members:

Mr. J.K. Jain	Chairman – Non – Executive – Independent Director
Mr. Shaleen Sharma (Upto May 27, 2015)	Non – Executive Director (Member)
Mr. M Ravindran (Upto May 27, 2015)	Non – Executive Director (Member)

Permanent Invitees to the IPO Committee are as follows:

- Managing Director currently Mr. Rajeev Mathur
- Technical Director currently Ms. Susmita Sengupta
- Mr. A. K. Manchanda, GAIL representative
- Mr. Anil Kumar Sahni, GAIL representative
- Mr. James Caswell, BG representative
- Mr. Akhil Mehrotra, BG representative

The IPO Committee can call, as special invitees, members of the Execution Committee, formed to advise the IPO Committee and to oversee day-to-day activities relating to the MGL IPO, and also any other member/expert from the promoters, based on the agenda under discussion.

Terms of Reference and Powers and Functions of the IPO Committee

1. To decide on the activity plan and timelines for execution of the IPO.
2. To advise 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 applicable.
3. To constitute the IPO Execution Committee to carry out day-to-day activities and coordinate with external advisors as necessary and to delegate to the Execution Committee such powers, from within the scope of the authority of the IPO Committee, as are appropriate.
4. To approve the appointment and decide on the scope and fees of the key advisors and intermediaries including the Auditor for the issue required for the delivery of the IPO. To authorise IPO Execution Committee and/or MGL management to appoint such approved advisors and intermediaries.
5. To authorise and approve the incurring of all the expenditure and payment of fees in connection with the IPO of the Company.
6. To open one or more designated separate current account(s) with a Bank(s) to receive applications along with application monies in respect of the Issuance Compulsorily Convertible unsecured Debentures, refund of Compulsorily Convertible unsecured Debentures or any other account with any name

and style as required during or after the process of the forthcoming issuance of Compulsorily Convertible unsecured Debentures of the Company.

7. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the Compulsorily Convertible unsecured Debentures as permissible in law, issue of Compulsorily Convertible unsecured Debentures Certificates and/or credit of Compulsorily Convertible unsecured Debentures in electronic mode or physical mode in accordance with the relevant rules as the case may be including maintenance of such records and to update the same periodically, as required.
8. To settle any question, difficulty or doubt that may arise in connection with the issue and allotment of the Compulsorily Convertible unsecured Debentures attached thereto, as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt.
9. To consider, deliberate and make recommendations to MGL Board on the following issues:
 - 1.1 Foreign Investment Promotion Board (FIPB) obligations and engagement plan;
 - 1.2 Engagement with Government of Maharashtra (GoM) and issuance of 9.5% shares to GoM ;
 - 1.3 Finalisation of Business Plan and valuation; and,
 - 1.4 Target price band in the proposed IPO.
10. To consider, deliberate and make decisions on the following issues based on recommendations from the IPO Execution Committee and the Promoters:
 - 1.1 Offer document;
 - 1.2 Regulation strategy;
 - 1.3 IPO Marketing strategy; and,
 - 1.4 Any other issue raised by the IPO Execution Committee in relation to the IPO or otherwise within the scope of these terms of reference.
11. To approve the appointment, roles and responsibilities, terms and conditions, scope of work of the Book Running Lead Manager (BRLM), Domestic Legal Counsel (DLC), International Legal Counsel (ILC), Merchant bankers and other key advisors and intermediaries required for the successful completion of the IPO.

12. To approve the process / procedure to be followed by the MGL Executive Management to appoint the Book Running Lead Manager (BRLM), Domestic Legal Counsel (DLC) and International Legal Counsel (ILC) and other consultants and advisories to undertake the MGL IPO task;
13. To administer the Contract with respect to various intermediaries involved including extension of time limit as may be necessary from time to time;
14. To decide and approve on the actual size of the Issue, the Offer for Sale by the Selling Shareholders, exercise of any green shoe (over-allotment) option and/or reservation on a competitive basis, timing, pricing (including discount to retail bidders, if any), allocation and allotment to Anchor Investors and all the terms and conditions of the issue of the shares including the price, and to accept any amendments, modifications, variations or alterations thereto;
15. To finalise and approve the terms of appointment (including fees payable to them) and appoint and enter into arrangements/ agreements with the book running lead managers, co-managers to the issue (if any), underwriters to the issue, syndicate members to the issue, stabilizing agent, brokers to the issue, escrow collection bankers to the issue, registrars, legal advisors, monitoring agencies, IPO grading agencies, advertising agencies and any other agencies, intermediaries or persons required in connection with the issue of shares by the Company and other relevant requirements;
16. To finalize and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, red herring prospectus and prospectus with SEBI, the Stock Exchanges, the Registrar of Companies and any other authority including the preliminary international wrap and final international wrap, for marketing of the Issue in jurisdictions outside India, syndicate agreement, issue agreement, underwriting agreement, escrow agreement, advertising agency agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issue of shares by the Company;
17. To open one or more separate current account(s) with a scheduled bank(s) to receive applications along with application monies in respect of the Issue or any other account with any name and style as required during or after the process of the forthcoming IPO of the Company;
18. To open one or more public Issue account(s) / escrow account(s) / refund account(s) of the Company for the handling of IPO proceeds, refunds for the Issue;
19. To approve/issue all notices, including any advertisement(s) in such newspapers as it may deem fit and proper about the future prospects of the Company and the proposed issue conforming to the guidelines/ regulations issued by SEBI and such other applicable authorities;

20. To make any applications to the Foreign Investment Promotion Board, Reserve Bank of India and such other authorities, as may be required, for the purpose of issue of Equity Shares by the Company to non-resident investors such as Non-Resident Indians, Foreign Venture Capital Investors and Foreign Institutional Investors;
21. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates and or credit of shares in electronic mode in accordance with the relevant rules;
22. To make applications for listing of the Equity Shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
23. To determine and finalise the floor price/price band for the IPO, approve the basis for allocation/ allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and the Selling Shareholders;
24. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
25. To enter the names of the allottees in the Register of Members of the Company, and take necessary corporate actions for credit of shares with the National Securities Depository Limited and the Central Depository Services (India) Limited;
26. To settle any question, difficulty or doubt that may arise in connection with the IPO including the issue and allotment of the Equity Shares attached thereto, as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt;
27. To do all such acts and deeds and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;
28. To authorise and approve the incurring of expenditure and payment of fees in connection with the IPO of the Company;

29. To approve and adopt the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, and any other offering document for the public issue as required under Section 26, Section 32 and other relevant provisions of the Companies Act, 2013 and to file the same with the Registrar of Companies and SEBI, as the case may be, and to make any corrections or alterations there in;
30. To affix the Common Seal of the Company on all documents as may be required by law, in relation to the Issue, and in terms of the Articles of Association of the Company;
31. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares of the Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;
32. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the Equity Shares as permissible in law, issue of share certificates in accordance with the relevant rules;

33. 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;
34. To provide updates to MGL Board, and also provide updates as and when required by MGL Board, on the progress of the IPO process; and,
35. To meet as per the business requirement to review the progress of the IPO.

Directors retiring by rotation:

Mr. Apurva Chandra, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and his brief profile has been annexed to the Notice of the ensuing Annual General Meeting.

CEO / CFO Certification:

CEO / CFO Certification, as required, have been made part of this Report.

Annual General Meetings:

Details regarding the previous three Annual General Meetings of the Company are as follows:

Year	Date	Time	Venue	Major Resolutions passed
2013 - 14	September 29, 2014	1100 Hours	Hotel Trident, Mumbai	<ol style="list-style-type: none"> 1. Appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors 2. Re-appointment of Mr. V.C Chittoda, as Managing Director of the Company 3. Appointment of Ms. Susmita Sengupta as a Whole Time Director of the Company 4. Appointing Mr. Santosh Kumar as an Independent Director of the Company 5. Appointing Mr. Arun Balakrishnan as an Independent Director of the Company
2012 - 13	August 27, 2013	1430 hours	Taj Lands End Hotel, Mumbai	<ol style="list-style-type: none"> 1. Appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors 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, Mumbai	<ol style="list-style-type: none"> 1. Appointment of M/s. Deloitte Haskins & Sells as Statutory Auditor 2. Alteration of Articles of Association 3. Payment of Commission to Independent Non Executive Directors

During the Financial Year 2014 -15, Two Extra – Ordinary General Meetings (EOGM) were held on December 05, 2014 and March 05, 2015 respectively.

01st EOGM was held on December 05, 2014 for approval of Rights Issue of Compulsorily Convertible Debentures at par to the Shareholders of the Company.

02nd EOGM was held on March 05, 2015 to seek approval of members for the following business:

Appointment of Mr. Raj Kishore Tewari as an Independent Director of the Company

Appointment of Dr. Basudeb Sen as an Independent Director of the Company

Appointment of Mr. Jainendar Kumar Jain as an Independent Director of the Company

Appointment of Mr. Rajeev Mathur as Managing Director of the Company

Appointment of Ms. Susmita Sengupta as Whole Time Director of the Company

In accordance with the provisions of the Companies Act, 2013, our Company does not fall in the ambit requiring the approval of the Shareholders through "Postal Ballot", as no shares nor any security of the Company is listed with any Stock Exchange nor the Members of the Company exceed the number of 200.

Disclosure:

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 184 and 189 of the Companies Act, 2013 on an annual basis is being followed by the Company.

The Company has not entered into any materially significant contract with its Promoters, Directors or the Management or Relatives etc., during the Financial Year 2014-15, except the Material Related Party Transaction with GAIL (India) Limited mentioned in the point no. 26.3 of the Notes to Accounts. The Company has approved the policy on related party transactions on March 26, 2015 and the same is uploaded on the website of the Company. The web link of the Policy is [http://www.mahanagargas.com/Corporate Overview/Board of Directors/ Corporate Governance/ Policy on Related Party Transactions](http://www.mahanagargas.com/Corporate%20Overview/Board%20of%20Directors/Corporate%20Governance/Policy%20on%20Related%20Party%20Transactions).

The Company has not been imposed with any penalty/ strictures by any Statutory Authority for noncompliance of any matter related to capital market during the last three years.

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.

Means of Communication:

Hard copy of Annual Report is sent to each Shareholder of the Company.

The Management Discussions and Analysis report is attached herewith as a part of Directors' Report.

General Shareholder Information:

20th Annual General Meeting proposed to be held, as under

Date : July 31, 2015

Place : Mumbai

Time : 12:30 hours

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

The face value of Equity Share is ₹10/- each. The Dividend payment for the Financial Year 2014-15 will be paid after approval by the directors within the time period provided in the applicable laws.

Being an unlisted Company, the Company does not disclose its quarterly results on the website. The Company has appointed separate persons to the post of Chairman and Managing Director. The Internal Auditor reports directly to the Audit Committee. The Company has appointed a Non – Executive Chairman in the Company, and the Company has maintained a Chairman's office to be utilised for performance of his duties, however no expenses are reimbursed by the Company towards performance of his duties as no such expenses have been incurred as on date. A half – yearly declaration of financial performance including summary of significant events in last six months is not sent to the shareholders.

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

Shareholding Pattern as on March 31, 2015:

NAME OF THE SHAREHOLDER	NO. OF EQUITY SHARES HELD	PERCENTAGE OF HOLDING
GAIL (India) Limited	4,44,49,960	49.75
BG Asia Pacific Holdings Pte Limited	4,44,49,960	49.75
Government of Maharashtra	4,41,600	0.50
Promoters and Associates	80	0.00 (negligible)
Total	8,93,41,600	100

During the Financial Year 2014 -15, the Company had allotted 94,36,178 Unsecured Compulsorily Convertible Debentures having Face Value of ₹10 /- each and carrying an Interest of 9% p.a on Rights basis.

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

The Company has a duly structured system for effecting transfer of shares, in compliance with the applicable statutory provisions.

ISIN Number:	INE002S01010
No. of Complaints received /disposed during the year	NIL
Registrar and Share Transfer Agent	Link Intime India Private Limited, C 13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai – 400 078, Maharashtra, India Email : rnt.helpdesk@linkintime.co.in Tel : 022 - 2594 6970 Fax : 022 - 2594 6969
Address for Correspondence:	Company Secretary & Compliance Officer, Mahanagar Gas Limited, MGL House, Block No : G-33, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India E-mail: info@mahanagargas.com Tel : +91 22 6678 5000 Fax: +91 22 2654 0092/2654 1046

Plant Locations	<ul style="list-style-type: none"> • 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 - Chikhhaloli, Tal-Ambernath, District - Thane • City Gate Station, Plot No : J-93/2, Taloja MIDC Area, Taloja, District - Raigad
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Building trust - Spreading the convenience of safe PNG

PNG provides safe, convenient, economical and environment friendly fuel/ energy solution to every consumer segment viz. household, commercial and industrial establishments. MGL has spread its PNG network across Mumbai metropolis and is catering to about 8 lakh consumers in this region.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Rajeev Mathur, Managing Director and S.M. Ranade, Chief Financial Officer 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, 2015 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, 2015;
 - (ii) there have been no significant changes in accounting policies during the year ending March 31, 2015 and the same have been disclosed in the notes to the financial statements; and,
 - (iii) there are no instances of materially 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.

Date: Mumbai
Place: June 29, 2015

Rajeev Mathur
Managing Director

S. M Ranade
Chief Financial Officer



Building A Sensitive Society By Maintaining Social Equality

As a community welfare initiative MGL is also contributing towards psychological settlement, medical care and overall happiness of mentally challenged adults. MGL has also extended financial support for the welfare of visually challenged students of blind school.

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, 2015, 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, presently being a non-listed company. However, the Company has informed us that, it is voluntarily and pro-actively complying with the provisions of Clause 49 of the Listing Agreement and hence, it 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 for the following:

- (a) The requirement of number of independent Directors in the Composition of the Audit Committee was satisfied till 25th March, 2015. However, with effect from 26th March, 2015, the number of independent directors is lower than two-third of the member of the Audit Committee, being the minimum required under sub clause III (A) (1) of the Clause 49 of the Listing Agreement. The Company is in the process of taking necessary steps to meet this requirement.
- (b) The Company did not disclose its quarterly results on the website as required under sub-clause VIII (E) (3) of Clause 49 of the Listing Agreement.
- (c) The Company did not take prior approval of the Audit Committee for the Related Party Transactions as required with effect from 01st October 2014 under sub-clause VII (D) of Clause 49 of the Listing Agreement and did not take approval of the shareholders through special resolution for the Material Related Party Transactions as required under sub-clause VII (E) 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 30, 2015

INDEPENDENT AUDITOR'S 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 March 31, 2015 and 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – as included in Note 27.2 to the financial statements;

Place : Mumbai
Date : June 30, 2015

- ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company does not have any outstanding derivative contracts as at the year end;
- iii) As at the year end, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (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.
2. In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (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.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, 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 goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the

information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

6. We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Records and Audit) Amendment Rules, 2014, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ in lakhs)
Central Excise Act, 1944	Excise Duty	CESTAT	March 2001 to March 2014	13,041.44
		Commissioner/Commissioner (Appeals)	June 2006 to March 2014	597.69
		Below Commissioner	May 2001 to September 2014	285.41
Central Excise Act, 1944	Service Tax	CESTAT	Various years covering the period	748.56
		Commissioner/Commissioner (Appeals)	November 2013	51.68
		Below Commissioner	April 2006 to March 2013	26.18

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹in lakhs)
Maharashtra Value Added Act, 2002	Sales Tax	STT	April 2005 to March 2006	12.94
		Commissioner/Commissioner (Appeals)	April 2006 to March 2011	267.52
Income Tax Act, 1961	Income Tax	ITAT	Assessment year 2010-11	7.26

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
8. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of debenture holders. The Company has not taken loans from financial institutions or banks.

10. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
11. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans, hence the clause (xi) of the Order is not applicable to the Company.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No. 117365W)

Rupen K. Bhatt

Partner

Place : Mumbai
Date : June 30, 2015

(Membership No. 046930)

BALANCE SHEET AS AT 31st MARCH 2015

Particulars	Note No.	As at 31 st March 2015 ₹Lakhs	As at 31 st March 2014 ₹Lakhs
I - EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	8,934.16	8,934.16
(b) Reserves and Surplus	3	1,31,812.36	1,20,761.65
		1,40,746.52	1,29,695.81
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,558.80	798.33
(b) Deferred tax liabilities (Net)	5	10,270.86	8,870.91
(c) Other long-term liabilities	6	106.31	77.73
(d) Long-term provisions	7	683.19	404.20
		12,619.16	10,151.17
(3) Current liabilities			
(a) Trade payables	8	11,195.49	10,637.13
(b) Other current liabilities	9	32,270.01	27,512.77
(c) Short-term provisions	10	19,727.32	19,433.17
		63,192.82	57,583.07
TOTAL		2,16,558.50	1,97,430.05
II - ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,05,943.51	98,711.77
(ii) Intangible assets		457.10	436.93
(iii) Capital work-in-progress		37,962.04	34,544.13
		1,44,362.65	1,33,692.83
(b) Long-term loans and advances	12	2,963.44	2,360.68
(c) Other non-current assets	13	178.22	167.39
		1,47,504.31	1,36,220.90
(2) Current assets			
(a) Current investments	14	37,146.63	34,206.56
(b) Inventories	15	1,735.49	1,586.62
(c) Trade receivables	16	9,623.10	10,926.32
(d) Cash and cash equivalents	17	14,491.72	8,880.62
(e) Short-term loans and advances	18	3,062.60	2,842.09
(f) Other current assets	19	2,994.65	2,766.94
		69,054.19	61,209.15
TOTAL		2,16,558.50	1,97,430.05
See accompanying notes forming part of the financial statements		1-27	

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : June 30, 2015

For and on behalf of the Board of Directors

Rajeev Mathur
Managing Director

S M Ranade
Chief Financial Officer

Susmita Sengupta
Technical Director

Alok Mishra
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2015

Particulars		Note No.	For the year ended 31 st March 2015 ₹ Lakhs	For the year ended 31 st March 2014 ₹ Lakhs
I	Revenue from Operations:			
	Sale of Natural Gas (Gross)		2,27,456.37	2,03,523.10
	Less : Excise Duty		19,675.48	16,659.13
	Sale of Natural Gas (Net)		2,07,780.89	1,86,863.97
	Sale of pipes, fittings and other materials		46.83	124.31
	Other operating income		1,665.10	1,526.97
			2,09,492.82	1,88,515.25
II	Other Income	20	4,070.88	3,449.42
III	Total Revenue (I + II)		2,13,563.70	1,91,964.67
IV	Expenses:			
	Cost of Natural Gas and Traded Items	21	1,29,580.76	1,14,443.72
	Changes in Inventories	22	(8.46)	(10.93)
	Employee benefits expense	23	5,111.14	4,168.90
	Finance Costs	24	120.50	20.74
	Depreciation and amortization expense (Refer Note 27.5)	11	7,990.86	8,071.56
	Other expenses	25	25,839.52	21,092.40
	Total expenses		1,68,634.32	1,47,786.39
V	Profit before tax (III- IV)		44,929.38	44,178.28
VI	Tax expense:			
	(1) Current tax		13,310.00	13,550.00
	(2) Deferred tax		1,519.28	903.36
	Total		14,829.28	14,453.36
VII	Profit after tax for the year (V - VI)		30,100.10	29,724.92
VIII	Earnings per equity share (EPS)			
	(Face value of ₹10/- each)	26.5		
	Basic (₹)		33.69	33.27
	Diluted (₹)		30.54	30.15
	See accompanying notes forming part of the financial statements	1-27		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : June 30, 2015

For and on behalf of the Board of Directors

Rajeev Mathur
Managing Director

S M Ranade
Chief Financial Officer

Susmita Sengupta
Technical Director

Alok Mishra
Company Secretary

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	For the year ended 31 st March 2015 ₹ Lakhs	For the year ended 31 st March 2014 ₹ Lakhs
1. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	44,929.38	44,178.28
Adjusted for:		
Depreciation and amortisation	7,990.86	8,071.56
Loss on Sale / Disposal of Assets (Net)	0.51	9.35
Loss on Sale of Investments (Net)	-	4.59
Profit on sale of current investments - non trade	(158.78)	-
Fixed Assets Written Off	1.27	43.21
Provision for Doubtful Trade Receivables	(20.47)	36.23
Provision for Doubtful Security Deposits	77.23	(80.89)
Bad Trade Receivables written off	36.39	37.43
Exchange Fluctuation (Net)	(33.71)	98.27
Provision for Leave Encashment	192.26	22.66
Interest on Borrowings	20.01	-
Interest Others	100.49	20.74
Dividend Income on Current Investments - Non trade	(2,411.50)	(2,238.45)
Interest on Bank Fixed Deposits - Gross	(756.45)	(595.79)
Operating Profit Before Working Capital Changes	49,967.49	49,607.19
Adjusted for:		
(Increase)/Decrease in Inventories	(148.87)	(209.33)
(Increase)/Decrease in Trade Receivables	1,287.30	(1,981.25)
(Increase)/Decrease in Long Term Loans and Advances	(410.07)	(11.48)
(Increase)/Decrease in Other Non Current Assets	(10.83)	4.67
(Increase)/Decrease in Short Term Loans and Advances	(297.74)	(583.06)
(Increase)/Decrease in Other Current Assets	(135.41)	(486.46)
Increase/(Decrease) in Other Long Term Liabilities	28.58	69.22
Increase/(Decrease) in Long Term Provisions	278.99	404.20
Increase/(Decrease) in Trade Payables	592.07	1,899.66
Increase/(Decrease) in Other Current Liabilities	5,403.78	3,878.39
Increase/(Decrease) in Short Term Provisions	13.27	28.85
	6,601.07	3,013.41
Cash Generated from Operations	56,568.56	52,620.60
Income Taxes Paid	(13,897.12)	(12,856.01)
Net Cash from/(used in) Operating Activities	42,671.44	39,764.59
2. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,759.40)	(17,684.28)
Sale of Fixed Assets	12.86	4.43
Purchase of Investments	(2,43,986.17)	(2,08,374.97)
Sale of Investments	2,41,204.88	2,04,375.76
Bank balances not considered as Cash and cash equivalents	(6,620.06)	(1,015.95)
Interest Received	664.15	470.53
Dividend Received	2,411.50	2,238.45
Net Cash from/(used in) Investing Activities	(26,072.24)	(19,986.03)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	For the year ended 31 st March 2015 ₹ Lakhs	For the year ended 31 st March 2014 ₹ Lakhs
3. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of 9% Unsecured Compulsorily Convertible Debentures	943.62	-
Repayment of Borrowings	(183.15)	(185.00)
Dividend Paid (Including Corporate Dividend Tax ₹ 2,657.13 lakhs, Previous Year ₹ 2,657.13 lakhs)	(18,291.91)	(18,291.91)
Interest Paid	(76.72)	(39.29)
Net Cash from/(used in) Financing Activities	(17,608.16)	(18,516.20)
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	(1,008.96)	1,262.36
Cash and Cash Equivalents at the beginning of the year	2,582.91	1,320.55
Cash and Cash Equivalents at the end of the year *	1,573.95	2,582.91
* Cash and cash equivalents at the end of the year comprises (Refer Note 17)		
i) Cash on Hand	0.10	0.13
ii) Cheques in Hand	1.05	-
iii) Balances with Banks		
In Current Accounts	1,572.80	2,582.78
	1,573.95	2,582.91
See accompanying notes forming part of the financial statements	Note 1-27	

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

Rupen K. Bhatt
Partner

Place : Mumbai
Date : June 30, 2015

For and on behalf of the Board of Directors

Rajeev Mathur
Managing Director

S M Ranade
Chief Financial Officer

Susmita Sengupta
Technical Director

Alok Mishra
Company Secretary

Notes on financial statements for the year ended 31st March 2015

NOTE - 1

Significant Accounting Policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention, on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as 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 the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets is provided on straight line method as per useful life and in the manner prescribed by Schedule II to the Companies Act, 2013, except in respect of the Online compressors and dispensers, where useful life considered is 10 years as per management estimate, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, replacements generally required from the point of view of operational effectiveness (Refer note 27.5).

Leasehold Land is amortised over the lease period. Intangible Assets (Software / Licenses) are amortised over 6 years based on useful life.

e. Investments

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

f. Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. 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 recognized 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.

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.

The cost of short-term compensated absences is accounted as under:

- in respect of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Accumulated 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 and Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

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. 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.

l. Segment Reporting

The company is in the business of distribution of Natural Gas. The Company earns revenue by selling natural gas and does not earn revenue by transporting gas of third parties. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end consumers. The company is operating in India, a single geographical segment. Considering the definition of reportable business segments and the reportable geographical segments, contained in Accounting Standard 17 on Segment Reporting, there is only one business and geographical segment.

m. 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.

n. Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

o. 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.

Notes on financial statements for the year ended 31st March 2015

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 2		
SHARE CAPITAL		
Authorised		
13,00,00,000 (previous year 13,00,00,000) Equity Shares of ₹10/- each	13,000.00	13,000.00
Issued, Subscribed and Fully Paid up		
8,93,41,600 (previous year 8,93,41,600) 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%
On conversion of CCD 9436178 additional equity shares will be issued, Please (refer Note No. 4 and 27.7)		
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	21,183.81	18,203.81
Add : Transferred from surplus in Statement of Profit and Loss	-	2,980.00
Closing Balance	21,183.81	21,183.81
Surplus in Statement of Profit and Loss		
Opening Balance	99,577.84	91,124.83
Less: Adjustment on account of depreciation [net of tax] (Refer Note No. 27.5)	231.74	-
Add : Net Profit transferred from Statement of Profit and Loss	30,100.10	29,724.92
	1,29,446.20	1,20,849.75
Less : Proposed Dividend	8,934.16	8,934.16
Proposed Special Dividend	6,700.62	6,700.62
Corporate Dividend Tax	3,182.87	2,657.13
Transfer to General Reserve	-	2,980.00
	18,817.65	21,271.91
Closing Balance	1,10,628.55	99,577.84
	1,31,812.36	1,20,761.65

NOTE - 4		
LONG TERM BORROWINGS		
Unsecured		
Sales Tax Deferred Loan (Interest Free) #	615.18	798.33
9% Unsecured Compulsorily Convertible Debentures (Refer Note No. 27.7)	943.62	-
	1,558.80	798.33
# 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 2015

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 12		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
a. Capital Advances	299.14	256.45
b. Security Deposits	986.13	820.41
c. Prepaid Expenses	1,063.77	818.28
d. Advance Income Tax (net of provision)	606.46	456.46
e. Employee/Vendor advances	7.94	9.08
	2,963.44	2,360.68

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 13		
OTHER NON - CURRENT ASSETS		
Receivables from customers, Unsecured, Considered Good	152.79	166.97
Other Bank Balances (Non-Current) [Refer Note 17]	25.43	0.42
	178.22	167.39

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 14		
INVESTMENTS (Non Trade)		
CURRENT INVESTMENTS - Unquoted		
(At lower of Cost or Fair Value)		
Name of Mutual Fund Scheme	Face Value	Number of Units
Baroda Pioneer Liquid Fund - Plan A - Daily Dividend Reinvestment	1,000	Nil
		(1,64,876)
Franklin India Treasury Management Account -Super Institutional Plan - Daily Dividend Reinvestment	1,000	2,44,008
		(Nil)
HDFC Liquid Fund - Dividend - Daily Reinvest	10	3,93,27,589
		(Nil)
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	100	50,14,808
		(40,01,968)
JP Morgan India Liquid Fund - Super Institutional Plan - Daily Dividend Reinvestment Option	10	Nil
		(5,05,33,000)
Kotak Floater - Short Term - Daily Dividend (Regular Plan)	1,000	4,99,602
		(4,97,086)
LIC Nomura MF Liquid Fund - Dividend Plan	1,000	4,59,748
		(4,56,952)
Religare Invesco Liquid Fund - Daily Dividend	1,000	4,30,231
		(Nil)
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option	1,000	Nil
		(2,62,967)
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	1,000	Nil
		(93,279)
Sundaram Money Fund - Regular Daily DR (Div Option Reinvestment)	10	1,64,54,782
		(Nil)
Tata Money Market Fund - Plan A - Daily Dividend	1,000	3,59,663
		(4,34,877)
UTI Treasury Advantage Fund - Institutional Plan - Growth	1,000	2,65,002
		(Nil)
Reliance Quarterly interval Fund Series II - Growth Plan Growth Option	10	Nil
		(68,51,442)
HDFC FMP 91D February 2015 (1) - Regular Growth - Series 33	10	1,00,00,000
		(Nil)
SBI Debt Fund Series - 90 Days - 85 - Regular Plan - Dividend	10	Nil
		(1,00,00,000)
SBI Debt Fund Series - 90 Days - 84 - Regular Plan - Dividend	10	Nil
		(1,00,00,000)
ICICI Prudential Interval Fund II Quarterly Interval Plan C - Regular Plan - Gr	10	Nil
		(95,33,797)
	37,146.63	34,206.56

Note - Figures in bracket represent previous year's units.

Notes on financial statements for the year ended 31st March 2015

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 15		
INVENTORIES (at lower of cost and Net Realisable Value)		
Stock in Trade:		
Stock of Natural Gas	45.16	36.70
Stores and spares	1,684.54	1,549.92
Stores and spares (in transit)	5.79	-
	1,735.49	1,586.62

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
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	23.96	-
Unsecured, Considered Good	1,136.18	282.96
Doubtful	102.63	112.23
	1,262.77	395.19
Less: Provision for doubtful trade receivables	102.63	112.23
	1,160.14	282.96
b. Other Trade Receivables		
Secured, Considered Good	883.60	895.98
Unsecured, Considered Good	7,579.36	9,747.38
Doubtful	-	10.87
	8,462.96	10,654.23
Less: Provision for doubtful trade receivables	-	10.87
	8,462.96	10,643.36
	9,623.10	10,926.32

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 17		
CASH AND CASH EQUIVALENTS		
A. Cash and cash equivalents		
i) Cash on Hand	0.10	0.13
ii) Cheques on Hand	1.05	-
iii) Balances with Banks		
In Current Accounts	1,572.80	2,582.78
Total - Cash and cash equivalents (A)	1,573.95	2,582.91
B. Other Bank Balances		
a. in Deposit Accounts with Original Maturity is more than 3 months but less than 12 months	250.00	3,200.00
b. in Deposit Accounts with Original Maturity is more than 12 months	12,600.00	3,000.00
c. Margin Money Deposit (Under Lien)	93.20	98.13
	12,943.20	6,298.13
Less: Transferred to Other Non-Current Assets		
Other Bank Balances [Refer Note 13]	25.43	0.42
Total - Other bank balances (B)	12,917.77	6,297.71
Total Cash and bank balances (A+B)	14,491.72	8,880.62

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 18		
SHORT-TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, Considered Good	1,487.91	1,446.14
Considered Doubtful	242.16	164.93
	1,730.07	1,611.07
Less: Provision for Doubtful Deposits	242.16	164.93
	1,487.91	1,446.14
Unsecured, Considered Good		
Prepaid Expenses	584.54	493.87
Balances with Government Authorities (Central Excise, Service Tax, VAT etc.)	949.46	869.63
Other Loans and Advances	40.69	32.45
	3,062.60	2,842.09

Notes on financial statements for the year ended 31st March 2015

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 19		
OTHER CURRENT ASSETS		
a. Unbilled Revenue, Unsecured, Considered Good	2,589.07	2,454.53
b. Receivables from customers Unsecured, Considered Good	68.89	68.02
c. Interest Accrued on Fixed Deposits with Banks	336.69	244.39
	2,994.65	2,766.94

NOTE - 20		
OTHER INCOME		
Interest on Fixed Deposits with Banks - Gross	756.45	595.79
Dividend on current investments - non trade	2,411.50	2,238.45
Profit on sale of current investments - non trade	158.78	-
Other miscellaneous income	689.97	615.18
Excess Provision for doubtful trade receivables - Written back (Net)	20.47	-
Foreign Exchange Fluctuation (Net)	33.71	-
	4,070.88	3,449.42

NOTE - 21		
COST OF NATURAL GAS AND TRADED ITEMS		
Purchase Cost of Natural Gas and Other Charges	129,839.49	114,534.46
Less: Captive Consumption (Including VAT)	299.51	194.87
	129,539.98	114,339.59
Purchase of pipes, fittings and other materials	40.78	104.13
	129,580.76	114,443.72

NOTE - 22		
CHANGES IN INVENTORIES		
Change in Stock of Natural Gas and Traded Items:		
Opening Stock	36.70	25.77
Closing Stock	45.16	36.70
(Increase) / Decrease in stock	(8.46)	(10.93)

NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Allowances	5,622.87	4,768.26
Contribution to Provident Fund and Other Funds	252.50	226.56
Gratuity (Note 26.2)	214.71	16.24
Staff Welfare	438.37	594.40
Secondment Charges	385.29	373.57
	6,913.74	5,979.03
Less: Transfer to Capital Work-in-Progress	1,802.60	1,810.13
	5,111.14	4,168.90

Notes on financial statements for the year ended 31st March 2015

Particulars	As at 31 st March 2015 ₹ Lakhs	As at 31 st March 2014 ₹ Lakhs
NOTE - 24		
FINANCE COSTS		
Interest on Borrowings	20.01	-
Interest - Others	100.49	20.74
	120.50	20.74

NOTE - 25		
OTHER EXPENSES		
Power and Fuel	9,924.02	8,733.00
Stores and Spares consumed	1,809.56	1,437.45
Insurance	170.36	149.62
Rent	1,947.70	1,485.81
Rates and Taxes	250.80	155.97
Repairs to Buildings	29.80	2.06
Repairs to Plant and Machinery	2,653.22	1,977.84
Bad Trade Receivables written off	36.39	37.43
Provision for doubtful trade receivables (Net)	-	36.23
Loss on Sale / Disposal of Assets (Net)	0.51	9.35
Loss on Sale of Investments	-	4.59
Fixed Assets Written Off	1.27	43.21
Foreign Exchange Fluctuation (Net)	-	98.27
Corporate Social Responsibility Expenditure (Refer Note 27.4.v)	244.54	-
Miscellaneous Expenses	9,190.77	7,244.58
	26,258.94	21,415.41
Less: Transfer to Capital Work-in-Progress	419.42	323.01
	25,839.52	21,092.40

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 ₹252.50 Lakhs (Year ended 31st March, 2014, ₹226.56 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 period 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

(₹Lakhs)

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)
Current Service Cost	61.06	64.03	68.13	295.97
Interest Cost	51.23	27.55	42.92	-
Expected return on plan assets	(41.84)	-	(36.15)	-
Actuarial (gain)/loss	144.26	165.68	(58.66)	0.80
Total expense recognised in the Statement of Profit and Loss	214.71	257.26	16.24	296.77

Actual contribution and benefit payments for the year

(₹Lakhs)

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)
Actual benefit payments	17.94	1.01	31.68	0.80
Actual contributions	208.92	-	-	-

Net Asset/ (Liability) recognised in the Balance Sheet

(₹Lakhs)

Particulars	As on 31 st March, 2015		As on 31 st March, 2014	
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)
Present value of defined benefit obligation	(803.33)	(552.22)	(550.27)	(295.97)
Fair value of plan assets	696.67	-	449.39	-
Net Asset/ (Liability) recognised in the Balance Sheet	(106.66)	(552.22)	(100.88)	(295.97)

Change in defined obligation (DBO) during the year

(₹Lakhs)

Particulars	As on 31 st March, 2015		As on 31 st March, 2014	
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)
Present value of DBO at beginning	550.27	295.97	536.54	-
Current Service Cost	61.06	64.03	68.13	295.97
Interest Cost	51.23	27.55	42.92	-
Actuarial (gain)/loss	158.71	165.68	(65.64)	0.80
Benefits paid	(17.94)	(1.01)	(31.68)	(0.80)
Present value of DBO at the end	803.33	552.22	550.27	295.97

Change in the fair value of Asset during the year

(₹Lakhs)

Gratuity	As on 31 st March, 2015	As on 31 st March, 2014
Plan assets at beginning April 1 st	449.40	451.90
Expected return on plan assets	41.84	36.15
Actuarial gain/(loss)	14.45	(6.98)
Employer contribution	208.92	-
Benefits paid	(17.94)	(31.68)
Plan assets as at year end	696.67	449.39
Actual return on plan assets	56.29	29.17

Composition of the plan assets is as follows:

Particulars	As on 31 st March, 2015	As on 31 st March, 2014
	Gratuity	Gratuity
Government bonds	47%	47%
Others (Insurer Managed Funds)	53%	53%

Actuarial assumptions

Particulars	As on 31 st March, 2015		As on 31 st March, 2014	
	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)	Gratuity	Post Retirement Medical Benefit Plan (Unfunded)
Discount rate (per annum)	8.08%	8.08%	9.31%	9.31%
Expected rate of return on plan assets (per annum)	8.08%	Not Applicable	9.31%	Not Applicable
Expected rate of escalation in salary (per annum)	7.50%	Not Applicable	7.50%	Not Applicable
Attrition	1.00%	1.00%	1.00%	1.00%
Medical Cost inflation	Not Applicable	3.00%	Not Applicable	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	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year (₹ Lakhs)	173.19	Not Applicable	168.99	Not Applicable

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, 2015		31 st March, 2014	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Closing balance of obligation	693.59	444.50	371.72	238.25

Experience Adjustment

(₹Lakhs)

Gratuity	As on 31 st March, 2015	As on 31 st March, 2014	As on 31 st March, 2013	As on 31 st March, 2012	As on 31 st March, 2011
Present value of DBO	803.33	550.27	536.54	352.82	226.08
Fair value of plan assets	696.67	449.39	451.90	290.58	214.28
Funded status [Surplus / (Deficit)]	(106.66)	(100.88)	(84.64)	(62.24)	(11.80)
Experience gain / (loss) adjustments on plan liabilities	(33.09)	(47.91)	23.62	31.44	3.54
Experience gain / (loss) adjustments on plan assets	14.45	(6.98)	4.98	2.32	3.92

(₹Lakhs)

Post Retirement Medical Benefit	As on 31 st March, 2015	As on 31 st March, 2014
Present value of DBO	552.22	295.97
Fair value of plan assets	Not Applicable	Not Applicable
Funded status [Surplus / (Deficit)]	Not Applicable	Not Applicable
Experience (gain) / loss adjustments on plan liabilities	82.48	(0.80)
Experience gain / (loss) adjustments on plan assets	Not Applicable	Not Applicable

Actuarial assumptions for long-term compensated absences	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Discount rate	8.08%	9.31%
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 ₹265.18 Lakhs (previous year ₹89.31 Lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2015.

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. – Joint Venturer
- B) BG Asia Pacific Holdings Pte. Ltd. (BGAPHPL) – Investing Company (BG Energy Holdings Limited is the Joint Venturer).

- C) Key Management Personnel
Mr. V. C. Chittoda – Managing Director (upto 29th September, 2014)
Mr. Rajeev Kumar Mathur – Managing Director (from 29th September, 2014)
Ms. Susmita Sengupta – Technical Director (from 15th February, 2014)
Mr. Allan Perrin – Technical Director (upto 14th February, 2014)

Details of transactions are as follows:

	2014-15 ₹ Lakhs	2013-14 ₹ Lakhs
A. GAIL (India) Ltd.		
Expenses		
1. Purchase of Gas (Inclusive of taxes) {refer note No.27.2(iv)}	1,22,761.40	1,20,271.46
2. Secondment charges	43.67	40.23
Others		
3. Expenses Reimbursement	1.35	3.48
4. Material Purchased	-	15.63
5. Expenses Recovery	48.72	0.92
6. Others	1.26	-
Closing Balance		
7. Payable to GAIL (India) Ltd. as on March 31 st (Net)	5,307.18	5,699.53
B. BG Energy Holdings Limited (BGEH)		
Expenses		
1. Secondment charges [BG Exploration and Production India Limited (BGEPIIL)] *	341.62	333.34
2. Expenses Recovery (BGAPHPL)	48.72	-
3. Expenses Recovery (BGEPIIL) *	9.14	-
4. Expenses Reimbursement (BGEPIIL) *	0.13	-
* On behalf of BGEH for obligation performed		
Closing Balance (for transactions on behalf of BGEH)		
Payable as on March 31 st to:		
5. BGAPHPL	445.66	533.93
BGEPIIL	29.23	509.12
Total	474.89	1043.05
C. Managerial Remuneration#	402.59	383.96
[Secondment charges of ₹385.29 Lakhs, (previous year ₹373.57 Lakhs) included above]		

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

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

- a. 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 under "Miscellaneous Expenses" (Note25 – Other Expenses) for the year is ₹241.53 Lakhs (previous year ₹187.52 Lakhs).
- b. Company has taken certain vehicles under operating lease agreements. Lease payments recognised in the Statement of Profit and Loss under "Miscellaneous Expenses" (Note25 – Other Expenses) for the year is ₹1,098.34 Lakhs (previous year ₹846.00 Lakhs).
- c. 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 (Note25 – Other Expenses) for the year is ₹1,004.30 Lakhs (previous year ₹978.35 Lakhs).

d. The future minimum lease payments of non-cancellable operating leases are as under:

	2014-15 ₹ Lakhs	2013-14 ₹ Lakhs
Not later than one year	348.24	4.91
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	348.24	4.91

26.5 Earnings per Share (EPS)

	2014-15	2013-14
a) Net profit after tax attributable to equity shareholders (₹ Lakhs)	30,100.10	29,724.92
b) Weighted Average Number of Equity Shares	8,93,41,600	8,93,41,600
c) Effect of potential equity shares on conversion of CCD	92,52,738	92,52,738
d) Weighted Average number of Equity Shares for computing Diluted EPS (b+c)	9,85,94,338	9,85,94,338
e) EPS on profit for the year (₹) (Face value per share ₹ 10)		
Basic (a/b)	33.69	33.27
Diluted (a/d) (Refer note 27.7)	30.54	30.15

26.6 Unhedged Foreign Currency Exposure:

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

Sr. No.	Particulars	Currency	2014-15		2013-14	
			INR (₹ Lakhs)	Forex	INR (₹ Lakhs)	Forex
A	Capital Imports	USD	65.19	1,04,152.95	156.22	2,59,934.63
		NZD	-	-	68.19	1,31,635.40
B	Secondment Expenses	GBP	494.38	5,34,703.00	533.93	5,34,729.00
C	Import of Goods & Services	USD	57.92	92,542.68	71.92	1,19,672.29

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) **₹17,690.67 Lakhs** (previous year ₹19,959.13 Lakhs).
- All term 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 **₹25,322.40 Lakhs** (previous year ₹21,600.42 Lakhs), includes:

- Claims disputed by the Company relating to issues of applicability aggregating to **₹15,418.74 Lakhs** (March 31, 2014 ₹12,957.63 Lakhs) as detailed below: (₹Lakhs)

Particulars	As on 31 st March, 2015	As on 31 st March 2014
a) Excise Duty	14,178.39	11,919.65
b) Service Tax	832.03	791.80
c) Sales Tax / Input VAT credits	333.45	124.40
d) Income Tax	74.87	121.78
Total	15,418.74	12,957.63

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

- Central/State/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 **₹142.59 Lakhs** (previous year ₹318.59 Lakhs).
- Third party/other claims arising from disputes relating to contracts aggregating to **₹421.40 Lakhs** (previous year ₹401.98 Lakhs).
- Demand from GAIL (India) Limited in respect of additional transportation tariff for the period from November 2008 to March 2015 **₹9,277.45 Lakhs** (previous year - from November 2008 to March 2014 ₹7,871.08 Lakhs). Based on legal opinion, the Company contends that the same is not payable and the Company does not expect outflow of resources.
- Claims from consumers not acknowledged as debts **₹62.22 Lakhs** (previous year ₹51.14 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. There is no amount of interest due and payable.

27.4 Additional information pursuant to the Part II of Schedule III to the Companies Act, 2013.

	For the year ended 31 st March 2015 ₹ Lakhs	For the year ended 31 st March 2014 ₹ Lakhs
i. Payments to Auditors		
To Statutory Auditors (included in Miscellaneous Expenses - Refer Note 25) (Net of service tax input credit, where applicable)	25.45	25.59
For Audit	2.03	1.67
For Other Services	0.21	0.32
Reimbursement of expenses		
ii. Value of Imports on CIF		
Capital Goods	453.36	1,090.74
Stores and Spares	-	71.87
iii. Expenditure in Foreign Currency		
Travelling Expenses	-	0.44
Repairs to Plant and Machinery	-	1.54

- 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, 2014 on 44449960 equity shares (previous year ₹7,778.74 Lakhs for the year ended 31st March, 2013 on 44449960 equity shares).

- CSR Expenditure:
 - Gross amount required to be spent by company during the year is ₹892.19 Lakhs.
 - Amount spent during the year on:
 - Construction/acquisition of asset ₹ Nil
 - On purposes other than (i) above ₹244.54 Lakhs

vi. Value of Stores and Spares Consumed

	2014-15		2013-14	
	₹ Lakhs	%	₹ Lakhs	%
Imported	71.72	3.96	107.00	7.44
Indigenous	1,737.85	96.04	1,330.45	92.56
Total	1,809.56	100.00	1,437.45	100.00

vii. Information relating to Gas Distribution Activities

Particulars	2014-15 ₹ Lakhs	2013-14 ₹ Lakhs
Opening Stock of Natural Gas	36.70	25.77
Purchase of Natural Gas	1,29,839.49	1,14,534.46
Sale of Natural/Compressed Gas (Net of VAT)	2,27,456.37	2,03,523.10
Captive Consumption (Excluding VAT)	290.78	186.02
Closing Stock of Natural Gas	45.16	36.70

viii. Information relating to Trading Items

Particulars	2014-15 ₹ Lakhs	2013-14 ₹ Lakhs
Opening Stock	-	-
Purchase	40.78	104.13
Sale (Net of VAT)	46.83	124.31
Closing Stock	-	-

27.5 During the year ended March 31, 2015, the Company has reassessed useful life of tangible fixed assets as per the useful life specified in the Companies Act, 2013. Based on current estimates, depreciation of ₹231.74 Lakhs in respect of assets whose useful life is Nil as on April 01, 2014 (net of tax of ₹119.33 Lakhs) have been adjusted against the opening surplus in the Statement of Profit and Loss. As a result of the change, the charge on account of the depreciation for the year ended March 31, 2015 is lower by ₹306.37 Lakhs as compared to the charge based on useful life estimated in earlier periods.

27.6 The Foreign Investment Promotion Board (FIPB) through its approval had allowed the Company to continue with the arrangements of foreign equity participation up to 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 Initial Public Offer (IPO) to divest the shareholding of the promoters to 35% each as per the Joint Venture Agreement. Further, FIPB vide its letter dated 2nd January, 2015 conveyed the approval of Government of India to the proposal of the Company regarding amendment of approval to record revised shareholding structure of the Company subject to compliance of certain conditions. FIPB has also conveyed that compounding would be needed by RBI for non-compliance of divestment conditions during the period January, 2007 to 12.03.2008. The Company has provided for the amount of ₹23.85 Lakhs based on an expert opinion, towards such compounding. The IPO and the share holding post the IPO will have to be in compliance with the aforesaid letter.

27.7 During the year existing shareholders were offered 94,92,545 Unsecured Compulsorily Convertible Debentures (CCDs) (Face Value ₹10/- each), on a rights basis in the proportion of 17 (seventeen) Unsecured CCDs for every 160 (one hundred and sixty) equity shares of face value of ₹10 each held on following terms and conditions:

- Each Unsecured CCD issued under the Rights Issue shall be compulsorily and automatically convertible into one fully paid up Equity Share (i) on the expiry of 2 years from the date of allotment of the Unsecured CCDs; or (ii) during seven days prior to the date of the filing of the Red Herring Prospectus with [Registrar of Companies, Mumbai at Maharashtra ("RoC")] whichever is earlier, in the event the Company proposes an initial public offering either by way of a fresh issue of Equity Shares by the Company or an offer for sale by the existing shareholders or both, without any application or any further act on the part of the holder of the Unsecured CCDs. There shall be no redemption of the Unsecured CCDs. The conversion price would be adjusted for any bonus or rights issue made by the Company prior to the conversion date.
- Interest at the rate of 9.0% per annum on the face value of the Unsecured CCDs will be payable annually on the Unsecured CCDs from the date of allotment of the Unsecured CCDs up to the date prior to the date of conversion of Unsecured CCDs into equity shares of the Company.

Application for Subscription for 94,36,178 Unsecured CCDs (Comprising of 46,920 Unsecured CCDs as their rights entitlement and 93,89,258 Unsecured CCDs were applied as additional Unsecured CCDs over and above their rights entitlement) was received from Government of Maharashtra (GOM), and accordingly 94,36,178 Unsecured CCDs were allotted to GOM and the balance 56,367 Unsecured CCDs have been cancelled.

27.8 Proposed Dividend for the year 2014-15 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).

27.9 Previous period'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

Rajeev Mathur
Managing Director

Susmita Sengupta
Technical Director

Place : Mumbai
Date : June 30, 2015

S M Ranade
Chief Financial Officer

Alok Mishra
Company Secretary

GALLERY



21st Foundation Day Celebration - MD's Address.



Empowering Women- participation in women's half marathon



MGL's Participation in Standard Chartered Mumbai Marathon.



Inaugural event of MGL KAUSHAL- Drawing Competition



Encouraging Young Artists- Award Ceremony at J.J. Institute of Applied Arts



CNG Cascade Carrier



Emergency Van



Mobile Training Van



Medical Van