



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2016/05

Date: August 31, 2016

To,

Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code/Symbol: 539957; MGL	Head, Listing Compliance Department National Stock Exchange of India Ltd Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: MGL
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Sub: Notice of Twenty-First Annual General Meeting

Dear Sir/Madam,

Please find enclosed herewith the Notice of the Twenty First Annual General Meeting of the Company, scheduled be held on Monday, September 26, 2016 at "IES Manik Sabhagriha" Auditorium, Vishwakarma M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai - 400 050 at 1030 hours (IST).

Kindly take the same in your record.

Thanking you,

Yours faithfully,

For Mahanagar Gas Limited



Alok Mishra

Company Secretary and Compliance Officer

Encl: As Above

Mahanagar Gas Limited Mumbai

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
CIN: U40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 2654 0092/2654 1046
Website: www.mahanagargas.com | Email: info@mahanagargas.com

To,
The Members

and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution.

NOTICE is hereby given that the Twenty First Annual General Meeting (AGM) of the Members of **MAHANAGAR GAS LIMITED** will be held on Monday, September 26, 2016 at "IES Manik Sabhagriha" Auditorium, Vishwakarma M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai - 400 050 at 1030 hours (IST), to transact the following business:-

Ordinary Business

1. To consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Dr. Ashutosh Karnatak (DIN: 03267102), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in connection therewith, to consider and if thought fit, to pass, with or without modification (s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under (including any statutory modifications and re-enactments thereof for the time being in force), M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No: 117365W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company at such remuneration as may be recommended by the Audit Committee duly constituted by the Board of Directors of the Company."

Special Business

5. To adopt new set of Articles of Association of the Company

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, a new set of Articles of Association (Attached as Annexure – I) of the Company was tabled before the Members of the Company and initialed by the Chairman of the Company for the purpose of identification, be and is hereby approved and adopted as new Articles of Association in place of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT Mr. Alok Mishra, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be required in order to give effect to adoption of new set of Articles of Association on behalf of the Company."

6. To approve remuneration of the Cost Auditor for the Financial Year ending March 31, 2017 and to consider and if thought fit, to pass, with or without modification (s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 148 and other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modifications and re-enactments thereof, for the time being in force), remuneration of ₹2,85,000/- (inclusive of out of pocket expenses) plus applicable service tax to M/s. Dhananjay Joshi & Associates, Cost Accountants (Registration No. 30) appointed as Cost Auditor by the Board of Directors of the Company to conduct the audit of cost records for the Financial Year ending March 31, 2017 be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. To Re-appoint Mr. Santosh Kumar as an Independent Director of the Company and if thought fit, to pass, with or without modification (s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with schedule IV and other applicable provisions of the Companies Act 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) consent of the Members be and is hereby accorded for re-appointment of Mr. Santosh Kumar (DIN:00239324) as an Independent Director of the Company whose period of office is liable to expire upon the conclusion of 21st Annual General Meeting, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment for a second term and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director of the Company for a period of 3(three) years i.e. from the conclusion of 21st Annual General meeting upto the conclusion of 24th Annual General Meeting of the Company and the term shall not be subject to retirement by rotation"

"RESOLVED FURTHER THAT Mr. Alok Mishra, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, and things including filing of necessary forms, application with various authorities as may be required and as may be deemed necessary to give effect to above resolution."

- 8 To Re-appoint Mr. Arun Balakrishnan as an Independent Director of the Company and if thought fit, to pass, with or without modification (s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 & the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) consent of the Members be and is hereby accorded for re-appointment of Mr. Arun Balakrishnan (DIN: 00130241) as an Independent Director of the Company whose period of office is liable to expire upon the conclusion of 21st Annual General Meeting, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment for a second term and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director of the Company for a period of 3 (three) years i.e. from the conclusion of 21st Annual General meeting upto the conclusion of 24th Annual General

Meeting of the Company and the term shall not be subject to retirement by rotation."

"RESOLVED FURTHER THAT Mr. Alok Mishra, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things including filing of necessary forms, application with various authorities as may be required and as may be deemed necessary to give effect to above resolution."

9. To appoint Mr. Akhil Mehrotra as Director of the Company and if thought fit, to pass, with or without modification (s), the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Akhil Mehrotra (DIN : 07197901), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 11, 2016 under Section 161 (1) of the Companies Act, 2013, read with Articles of Association of the Company and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from him proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company and liable to retire by rotation."

"RESOLVED FURTHER THAT Mr. Alok Mishra, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things including filing of necessary forms, application with various authorities as may be required and as may be deemed necessary to give effect to above resolution."

10. To pay Commission to the Non-Executive Independent Directors and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("hereinafter referred to as the "Act"), Article 34 of the Articles of Association of the Company (duly amended) and such other statutory approvals as may be necessary, approval of the Members be and is hereby accorded to the payment of commission, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and / or Committees thereof, to Non-Executive Independent Director(s) of the Company on the Board, who are neither in the whole time employment of the Company nor as Managing Director/ Whole Time Director, at a rate not exceeding one percent (1%) per annum of the net profits of the Company in each year calculated in accordance with relevant provisions

of the Act, as the Board may from time to time fix in that behalf and the same to be 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 2016-17."

11. To approve Material Related Party Transactions and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of

Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable statutory laws and in continuation to the earlier resolutions dated March 30, 2016 passed in relation to the Material Related Party Transactions by the Shareholders, consent of the Shareholders of the Company be and is hereby accorded for entering into the Material Related Party Transactions as per the details provided in the table appended below:

Name of the Related Party	Relationship	Nature of Transaction	Maximum Value of Transactions
1. GAIL (India) Limited	Promoter	Agreements entered / to be entered for Purchase and transportation of Gas.	₹2000 Crores (for the FY Ending on March 31, 2017)
2. BG India Energy Solutions Private Limited	Promoter group entity		
3. Petronet LNG Limited	Promoter group entity		₹2500 Crores (for the FY Ending on March 31, 2018)
4. Hazira LNG Private Limited	Promoter group entity		

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution".

**By Order of the Board
For MAHANAGAR GAS LIMITED**



**Alok Mishra
Company Secretary & Compliance Officer**

Place : Mumbai

Date : August 20, 2016

NOTES:

1. A Member entitled to attend & vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on poll instead of himself and the Proxy need not be a Member of the Company. The instrument appointing the proxy should however be deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. During

the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxy(ies) lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing of the intention to inspect is given to the Company.

3. Members, Proxies and Authorised Representatives are requested to bring their Attendance slip enclosed herewith duly completed and signed, mentioning therein the details of their DP ID and Client ID/ Folio No., for attending the Meeting.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board

- Resolution/s authorising their representatives to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 6. The dividend proposed to be declared at the meeting will be made payable to those Members whose names appear on the Register of Members of the Company as on the record date, i.e. September 16, 2016.
 7. A statement setting out the material facts, relating to the Ordinary and Special Business to be transacted at the Meeting as mentioned in the Notice, is annexed hereto pursuant to the provisions of Section 102(1) of the Companies Act, 2013.
 8. Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the Members at the Registered Office of the Company on all working days during the business hours up to the date of the meeting.
 9. Queries on Accounts and Operations of the Company, if any, may please be sent to the Company, at least 7 (seven) days in advance of the Meeting such that answers can be made available at the Meeting.
 10. The Company strongly believes in green initiatives and in pursuance of the same, Members are requested to provide their e-mail id or update their existing email id with the Company to enable the Company, communicate with the Members in a better, eco-friendly and faster way.
 11. Members may kindly note that the Company has made arrangement of dematerialization of its Equity Shares and the ISIN No. allotted for the same by NSDL and CDSL is INE002S01010. Members are requested to consider this and avail the facility of dematerialization of the equity shares of the Company held by them.
 12. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of Members and share transfer books of the Company will remain closed from Saturday, September 17, 2016 to Monday, September 26, 2016, both days inclusive.
 13. Subject to the provisions of Section 126 of the Companies Act, 2013 dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched between September 30, 2016 and / or October 01, 2016 as under.
 - To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, September 16, 2016; and
 - To all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e, Link Intime India Private Limited.) on or before the closing hours on Friday, September 16, 2016.
 14. Dividend will be preferably paid through National Electronic Clearing System (NECS), wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the Members. In cases, where the dividend cannot be paid through NECS, the same will be paid by account payee/non negotiable instruments.
 15. To ensure timely credit of dividend through National Electronic Clearing System (NECS) or dividend warrants/ payment instruments, Members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, to the respective depository participant in case of shares held in demat mode/to the shares transfer agent of the Company, in case of shares held in physical mode, on or before Friday, September 16, 2016.
 16. Members/Proxies are requested to bring the copies of annual reports and attendance slips to the meeting, if the same are received in physical form.
 17. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
 18. Route map showing directions to the venue of the meeting is mentioned on last page of the Notice and it is also available on the website of the Company at www.mahanagargas.com
 19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote

- electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
20. The Board of Directors has appointed Mr. Lalit K. Jain, Practicing Company Secretaries (Membership No. 1903) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
 21. The facility for voting through polling paper shall be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
 22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 23. The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open the email and open PDF file namely; "MGL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Open the internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder – Login
 - (iv) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - (v) If you are logging in for first time, please enter the user ID and password in the pdf file attached with the e-mail as initial password/PIN as noted in step (i) above. Click Login.
 - (vi) The Password change menu will appear on your screen. Change the password/PIN with new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - B. (i) The Member(s) whose email ID is not registered with the Company/Depository Participants(s), and they are not having their user ID and Password may follow any of the below mentioned option:-
 - (vii) Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
 - (viii) Select "EVEN" (E-voting Event Number) of "Mahanagar Gas Limited" which is 105022. Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once the vote on a resolution is cast, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to lkjcs@yahoo.com with a copy marked to evoting@nsdl.co.in

Option-I

The physical Member may obtain a login ID and password for casting his / her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no.: 1800-222-990 mentioning your demat account no./folio no.

Option-II

1. Open the internet browser by typing the following URL: <https://www.evoting.nsd.com/>
2. Kindly select the "Shareholders option" and click "login through the Physical user reset password option"
3. On clicking the aforesaid option, the Physical user shall be prompted with the following details to be mandatorily provided:-
 - a. Folio Number.
 - b. After mentioning folio number, please select the Company i.e. Mahanagar Gas Limited.
 - c. USER ID to be specified by the Physical user (this would be a combination of EVEN number + Folio number).

- d. Also specify the Pan Number and Email address.
 - e. Please click on submit button and proceed to vote.
- (ii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

C. Other Instructions:-

1. The e-voting period commences on Friday, September 23, 2016 (9.00 a.m. IST) and ends on Sunday, September 25, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on cut-off date of Friday, September 16, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
2. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of Friday, September 16, 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
3. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 16, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
4. Mr. Lalit K. Jain, Practicing Company Secretary (Membership No. 1903), has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the

votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

5. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.mahanagargas.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
6. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Explanatory Statement Pursuant To Section 102 of The Companies Act, 2013

Item No: 5

The Company had intended to undertake an Initial Public Offer (IPO) by way of Offer for Sale of a portion of the shares held by the promoters of the Company inter alia GAIL (India) Limited (hereinafter referred as "GAIL") and BG Asia Pacific Holdings Pte. Limited (hereinafter referred as "BGAPH") and proposed to list its equity shares on one or more stock exchanges in India, in accordance with the applicable laws, rules and regulations.

In view of this, Company had successfully filed Draft Red Herring Prospectus (DRHP) on 13th November 2015 with Securities and Exchange Board of India (SEBI). The SEBI in its final observation letter mentioned that "BRLMs are advised to ensure that the special rights available to certain shareholders through provisions in the Articles of Association (AOA) are exercised only after obtaining the consent of the shareholders after the IPO through special resolution and suitable disclosures in this regard may also be included in the offer document."

Accordingly, the Board in its 120th Board meeting held on March 30, 2016 and Members of the Company in their 04th Extra-ordinary General Meeting held on March 30, 2016 had passed a resolution to alter the Articles of Association (AoA) of the Company for transferring the special rights of GAIL (India) Limited (hereinafter referred as "GAIL") and BG Asia Pacific Holdings Pte. Limited (hereinafter referred as

“BGAPH”) from part A to Part C of AoA as per instructions of SEBI and Part C of AoA is inapplicable from the date of listing of the equity shares of the Company till the date of approval of the shareholders in the general meeting of the Company to be held on post listing of the equity shares.

Part C of the Articles would be again applicable and effective along with Part A post conclusion of such general meeting and the provisions of Part C shall prevail over Part A in case of any inconsistency between the two parts.

Accordingly, a revised set of Articles of Association (AoA) after inclusion of part C in the part A of the AoA of the Company approved by the board in its board meeting held on August 20, 2016 being put up before the shareholders of the Company for their approval since the alteration of Articles of Association is subject to approval of the Members and subject to other statutory provisions as may be necessary for the time being in force, consent of the Members is sought for passing a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. Ashutosh Karnatak, Chairman and Mr. Rajeev Mathur, Managing Director and Nominee of GAIL (India) Limited and Ms. Susmita Sengupta, Whole Time Director and Mr. Akhil Mehrotra, Director and Nominee of BG Asia Pacific Holdings Pte. Limited, is concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members of the Company.

Item No: 6

The Board of Directors of the Company, at its meeting held on May 30, 2016, on the recommendation of the Audit Committee, had approved the appointment of M/s Dhananjay Joshi & Associates, Cost Accountants (Registration No. 30) as the Cost Auditor for conducting the cost audit for the Financial Year 2016-17, at an audit fees of ₹2,85,000/- (Rupees Two Lacs Eighty Five Thousand only) (inclusive of out of pocket expenses) plus applicable service tax.

As per the provisions of Section 148 of the Companies Act, 2013 and Rules made there under, the remuneration payable to the Cost Auditor of the Company is subject to be determined by the Members of the Company. Accordingly, the consent of the members is sought for passing an ordinary resolution as set out in the Item No. 6

of the accompanying Notice, at their ensuing Annual General Meeting, for determination of the remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends passing of an Ordinary Resolution as set out in the Item No. 6 of the Notice for approval of the Members of the Company.

Item No: 7

Pursuant to the requirements of Regulation 36 of the SEBI (LODR) Regulations, 2015, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Mr. Santosh Kumar
Director ID Number	00239324
Date of Birth	July 01, 1949
Date of Appointment	September 29, 2014
Qualification	Mr. Santosh Kumar, aged 67 years, has Bachelor's degree in Electrical Engineering from the University of Allahabad.
Experience in specific functional areas	He has over 40 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.
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Audit Committee Chairman-Corporate Social Responsibility Committee
Directorship in other Companies	Indraprastha Gas Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	Nil
No. of shares held in the Company	NIL



In the 19th Annual General Meeting (AGM), Shareholders of the Company had approved the appointment of Mr. Santosh Kumar as an Independent Director of the Company for a term of 2 (two) years from the conclusion of the 19th AGM upto the conclusion of 21st AGM of the Company.

According to Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company. In pursuant to the Section 149 (11) no Independent Director shall hold office for more than two consecutive terms.

Accordingly, based on his skills, experience, knowledge and performance evaluation, it is proposed to re-appoint Mr. Santosh Kumar for a second term for a period of 3 (years) i.e. from the conclusion of 21st Annual General meeting upto the conclusion of 24th Annual General Meeting of the Company.

Based on the recommendation of Nomination and Remuneration committee, Board of Directors vide resolution passed at its meeting held on August 20, 2016, recommends for re-appointment of Mr. Santosh Kumar as an Independent Director of the Company as set out in the Item No. 7 of the Notice for approval of the Members of the Company.

The Board considers that Mr. Santosh Kumar's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Santosh Kumar's as an Independent Director.

None of the Directors / Key Managerial Personnel of the Company / their relatives other than Mr. Santosh Kumar, is in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No: 8

Pursuant to the requirements of Regulation 36 of the SEBI (LODR) Regulations, 2015, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details	
Name	Mr. Arun Balakrishnan	
Director Identification Number	00130241	
Date of Birth	July 25, 1950	
Date of Appointment	September 29, 2014	
Qualification	Mr. Arun Balakrishnan, aged 66 years, has Bachelor's degree in Chemical Engineering from the University of Calicut and Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore	
Experience in specific functional areas	He has over 36 years of work experience. Prior to joining our Company, he was the Chairman and Managing Director of Hindustan Petroleum Corporation Limited.	
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Audit Committee Chairman-Nomination and Remuneration Committee	
Directorship in other Companies	1. HPCL - Mittal Energy Limited 2. NCDEX e Markets Limited 3. Linde India Limited 4. Jaypee Infratech Limited 5. Antrix Corporation Limited	6. HPCL Mittal Pipelines Limited 7. Jaiprakash Power Ventures Limited 8. Wellness Diabetacare Private Limited 9. Shipping Corporation of India Limited 10. Rashtriya E Market Services Private Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	HPCL - Mittal Energy Limited Chairman - Audit Committee NCDEX e Markets Limited Chairman - Audit Committee Member - Remuneration Committee Linde India Limited Member - Audit Committee Chairman - Remuneration Committee	Antrix Corporation Limited Chairman - Audit Committee HPCL Mittal Pipelines Limited Chairman - Audit Committee Shipping Corporation of India Limited Member - Audit Committee Member - Remuneration Committee
No. of shares held in the Company	NIL	



In the 19th Annual General Meeting (AGM), Shareholders of the Company had approved the appointment of Mr. Arun Balakrishnan as an Independent Director of the Company for a term of 2 (two) years from the conclusion of the 19th AGM upto the conclusion of the 21st AGM of the Company.

According to Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company. In pursuant to the Section 149 (11) no Independent Director shall hold office for more than two consecutive terms.

Accordingly, based on his skills, experience, knowledge and performance evaluation, it is proposed to re-appoint Mr. Arun Balakrishnan for a second term for a period of 3 (years) i.e. from the conclusion of 21st Annual General meeting upto the conclusion of 24th Annual General Meeting of the Company.

Based on the recommendation of Nomination and Remuneration committee, Board of Directors vide resolution passed at its meeting held on August 20, 2016, recommends for re-appointment of Mr. Arun Balakrishnan as an Independent Director of the Company as set out in the Item No. 8 of the Notice for approval of the Members of the Company.

The Board considers that Mr. Arun Balakrishnan's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Arun Balakrishnan's as an Independent Director.

None of the Directors / Key Managerial Personnel of the Company / their relatives other than Mr. Arun Balakrishnan, is in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No: 9

Based on the recommendation of Nomination & Remuneration Committee, Mr. Akhil Mehrotra, nominated by BGAPH, was appointed by the Board of Directors, as an Additional Director of the Company effective from March 11, 2016.

As per provisions of Section 161(1) of the Companies Act, 2013, he holds the office of Directorship till the conclusion of this Annual General Meeting. A Notice under Section 160 of the Companies Act, 2013 along with the requisite deposit has been received from him proposing his candidature for appointment as a Director of the Company.

Pursuant to the requirements of Regulation 36 of the SEBI (LODR) Regulations, 2015, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Mr. Akhil Mehrotra
Director Identification Number	07197901
Date of Birth	August 27, 1967
Date of Appointment	March 11, 2016
Qualification	Mr. Akhil Mehrotra, aged 49 years, has completed graduation in B.E. (Mechanical Engineering) from Government Engineering College, Jabalpur, MBA (Finance) (Part time) from IGNOU, Management Program from Indian Institute of Management, Bangalore (Residential Course), Diploma in Business Finance (Part time) from ICFAI, Hyderabad and diploma in Marketing Management (Part time) from NMIMS, Mumbai.
Experience in specific functional areas	He is an energy sector professional with over 25 years of experience in oil & gas, power and telecom sector. Mr. Mehrotra is presently Director - Downstream Business in BG India. His key responsibilities include management of downstream business and advocacy for development of gas markets. He has held the position of Director - Business Development and Regulatory Affairs at Gujarat Gas Company Limited. His career also includes working with Reliance Group of Industries (Reliance Industries, Reliance Infocomm & BSES) handling Power, Petrochemicals & Telecom Business.
Chairman/Member of the Committees of the Board of Directors of the Company	Member- Audit Committee Member-Nomination and Remuneration Committee
Directorship in other Companies	1. BG India Energy Private Limited 2. BG India Energy Services Private Limited 3. BG India Energy Solutions Private Limited 4. BG LNG Regas India Private Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	BG India Energy Solutions Private Limited Member- Corporate Social Responsibility Committee
No. of shares held in the Company	NIL

Your Directors recommend appointment of Mr. Akhil Mehrotra as a Director of the Company, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, in the said resolution except Mr. Akhil Mehrotra and Ms. Susmita Sengupta, Whole Time Director, MGL and Nominee of BGAPH on the Board of Mahanagar Gas Limited.

Item No: 10

The Non-Executive Independent Directors of your Company play a vital role in independent functioning of the Company. They bring with them external and wider perspective to the decision making by the Board. These Non-Executive Independent Directors also bring with them significant professional expertise and very vast & rich experience across a wide spectrum of functional areas such as engineering & technology, corporate strategy, information systems and finance. They provide strategic and transparent guidance and able leadership while forming objective judgment. The responsibilities and obligation cast on them have multiplied significantly these days due to various factors such as growth in the activities of the Company and rapid evolution arising out of legal and regulatory provisions and requirements. The Members of the Company in their meeting held on August 08, 2012 approved for payment of Commission to the Non-Executive Directors for five years commencing from Financial Year 2011-12 and which shall not exceed 1% of the net profits of the Company in any Financial Year.

Thus the aforesaid approval is upto Financial Year 2015-16 and now again it is proposed to pay commission (other than sitting fees and reimbursement of expenses for attending the meetings of the Board and / or Committees thereof) on profits to the Non-Executive Independent Directors for a further period of five years commencing from 1st April 2016, as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time), but so that such commission shall not exceed one percent 1% per annum of the net profits of the Company in any Financial Year (computed in the manner provided in Section 198 of the Companies Act, 2013).

The payment is subject to the approval of Members by way of Special Resolution.

The Non-Executive Independent Directors viz. Dr. Basudeb Sen, Mr. J. K. Jain, Mr. Santosh Kumar, Mr. Arun Balakrishnan and

Mr. Raj Kishore Tewari are concerned or interested in the said resolution to the extent of the payment that they may receive by way of commission.

The Board of Directors recommends the passing of the resolution as set out at Item No. 10 of the Notice for approval of the Members of the Company.

Item No.11

GAIL (India) Limited ("GAIL") is the largest state-owned gas transmission and marketing Company in India and your Company purchases a substantial requirement of natural gas from GAIL in the ordinary course of business and at arm's length basis. GAIL supplies entire domestic gas allotment provided by MOPNG to your Company at a price determined pursuant to MOPNG guidelines.

Further, your Company procures SPOT/ Term RLNG for its additional requirement through an approved competitive bidding mechanism from gas suppliers such as GAIL (India) Limited, BG India Energy Solutions Private Limited (BGIES), Hazira LNG Private Limited (HLPL), Gujarat State Petroleum Corporation Limited (GSPCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Indian Oil Corporation Limited (IOCL) and Petronet LNG Limited (PLL). Accordingly, the Company has entered into various agreements with GAIL, BGIES, HLPL, IOCL GSPCL, BPCL, HPCL and PLL for purchase and transportation of gas. As the gas is procured through bidding process it is not possible to ascertain the parties to whom the contract may be awarded. Hence, calculating the amount of gas to be purchased from individual gas suppliers may not be possible. In this regard, an estimated amount of gas to be purchased from all the parties is ascertained and submitted for the approval of the shareholders as referred below.

As per the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following entities may be treated as Related Parties for purchase of gas:-

- GAIL (India) Limited
- BG India Energy Solutions Private Limited
- Petronet LNG Limited
- Hazira LNG Private Limited

Although the present provisions of Section 188 of the Companies Act, 2013 read with rule 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions, read together with the exceptions therein, indicate that transaction/s entered into by the Company, in its ordinary course of business and at arm's length basis, do not require



any approval from the shareholders. The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") prescribe for seeking of shareholders' approval, by way of Ordinary resolution, for material related party transactions (MRPTs). Pursuant to provisions of the Listing Regulations, the transaction of purchase and transportation of gas is in ordinary course of business and at arm's length price and it being

material in nature, per se, the same requires approval of the unrelated shareholders of the Company in a general meeting by an Ordinary resolution.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto and the Policy of the Company on Related Party Transaction are furnished hereunder:

1	The name of the related party and nature of relationship.	1. GAIL (India) Limited, Promoter 2. BG India Energy Solutions Private Limited, Promoter Group Entity 3. Petronet LNG Limited, Promoter Group Entity 4. Hazira LNG Private Limited, Promoter Group Entity
2	Name of the Director or Key Managerial Personnel, who is related.	Dr. Ashutosh Karnatak, Chairman Mr. Rajeev Mathur, Managing Director Ms. Susmita Sengupta, Whole Time Director Mr. Akhil Mehrotra, Director
3	The nature, material terms, monetary value and particulars of the contract or arrangement.	<p>Mahanagar Gas Limited is in the business of City Gas Distribution, it purchases a substantial requirement of natural gas from the GAIL (India) Limited, it purchases domestic gas through Government allocation of domestic Gas for CNG and Domestic PNG customers and SPOT/ Term RLNG through board approved process of competitive bidding system. Accordingly, Company has entered into various agreements with GAIL (India) Limited (GAIL), Hazira LNG Pvt. Ltd. (HLPL), BG India Energy Solutions Private Limited (BGIES) and Petronet LNG Pvt. Ltd. (PLL) for purchase and transportation of natural gas.</p> <p>A. Details of existing contracts entered with GAIL are as follows:</p> <ol style="list-style-type: none"> 1. APM Agreement (Administered Price Mechanism) <ul style="list-style-type: none"> • Nature: Long Term Gas Sales and Transportation Contract 2. PMT Agreement (Panna Mukta Tapti Fields) <ul style="list-style-type: none"> • Nature: Long Term Gas Sales and Transportation Contract 3. SPOT RLNG Contracts (Spot Gas Sale Agreement) <ul style="list-style-type: none"> • Nature: Short Term Spot Gas Sales Agreement 4. Gas Transmission Agreement <ul style="list-style-type: none"> • GTA dated January 02, 2008 5. Term RLNG <ul style="list-style-type: none"> Gas Sale Agreement (2016 RLNG GSA) dated November 24, 2015 • Nature: Term RLNG Gas Sales Agreement <p>B. Details of existing contracts entered with HLPL is as follows:</p> <ul style="list-style-type: none"> • Nature: Framework Gas Sale Agreement on RE basis <p>C. Details of existing contracts entered with PLL is as follows:</p> <ul style="list-style-type: none"> • Nature: Short term on RE basis based on the Term Sheet containing Terms and Conditions approved by SMG <p>D. Details of existing contracts with BG India Energy Solutions Private Limited is as follows:-</p> <ul style="list-style-type: none"> • Nature: Supply Framework Agreement on RE basis

		<p>E. Further, to meet requirement of natural gas as per business needs, Company may enter into various Agreements (e.g. Gas Sale / Purchase / Transportation Agreements/ Hooking up Agreements / pipeline connectivity / CGS capacity enhancement related agreement / any other business related transactions approved by SMG) with GAIL, HLPL, BGIES & PLL not exceeding the monetary limits as mentioned in the AGM notice, subject to the approval of the shareholders in General Meeting.</p> <p>Estimate of annual value of the purchase and transportation of gas: a) ₹2000 Crores (for the FY Ending on March 31, 2017)* b) ₹2500 Crores (for the FY Ending on March 31, 2018)*</p>
4	Any other information relevant or important for the members to take a decision on the proposed transaction.	MGL has received authorization from PNGRB for Raigadh GA on April 01, 2015. Accordingly, MGL has requested GAIL to provide six tap-offs considering the vast geographical spread of Raigadh GA. Each tap-off may cost about ₹4 Cr.

*Note: - The estimated value of transaction is derived from board approved Business Plan with reasonable escalation, considering uncertainties that may prevail in various parameters during the transaction period like Exchange Rate, Spot RLNG price, Government of India's Domestic Gas Allocation / Domestic Gas Pricing guidelines, any other transactions for erection of gas supply facilities like tap-off, pipeline connectivity for MGL, downstream customers etc.

The above proposals were approved by the Audit Committee at its meeting held on August 20, 2016 and is recommended by the Board of Directors vide resolution passed at its meeting held on August 20, 2016 to the unrelated shareholders of the Company for their approval.

The Board of Directors therefore recommends the resolution as set out in Item No. 11 of the Notice for approval of shareholders of the Company. As per Regulation 23 of the Listing Regulations, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s)

wherein approval of Material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company will not vote on this resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. Ashutosh Karnatak, Chairman and Mr. Rajeev Mathur, Managing Director and Nominee of GAIL and Ms. Susmita Sengupta, Whole Time Director and Mr. Akhil Mehrotra, Director and Nominee of BG Asia Pacific Holdings Pte. Limited, is concerned or interested financially or otherwise, in the said resolution.



Pursuant to the requirements of Regulation 36 of the SEBI (LODR) Regulations, 2015, the brief Profile of Dr. Ashutosh Karnatak, proposed to be re-appointed as Director is provided below:

Particulars	Details
Name	Dr. Ashutosh Karnatak
Director Identification Number	03267102
Date of Birth	June 07, 1960
Date of Appointment	May 28, 2015
Qualification	Dr. Ashutosh Karnatak, aged 56 years, has completed M. Tech (Energy Studies) from IIT Delhi, an MBA (Finance) from IGNoU, a Ph.D. from University of Petroleum & Energy Studies, Dehradun and B. Tech (Electrical Engineering) from HBTI, Kanpur
Experience in specific functional areas	He has over 31 years of work experience. He presently holds the position of Director (projects) with GAIL and Executive Member in SCOPE. He is a multi-talented personality and has also developed various innovative techniques in Project Management & Employee Engagement. Dr. Karnatak was a member of Education & Training Board of International Project Management Association (IPMA), Switzerland, was part of the 'International Technical Working Group' constituted for implementation of 'Turkmenistan - Afghanistan - Pakistan - India (TAPI) Pipeline' and had been the 'Industrial Member' in CBSE Committee involved in introducing 'Project Management' as a subject in Secondary School Academics.
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Audit Committee Member -Nomination and Remuneration Committee
Directorship in other Companies	1. GAIL (India) Limited 2. GAIL Gas Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	GAIL Gas Limited Member- Audit Committee GAIL (India) Limited Member- Stakeholders Relationship Committee
No. of shares held in the Company	NIL

**By Order of the Board
For MAHANAGAR GAS LIMITED**



Alok Mishra
Company Secretary & Compliance Officer

Place : Mumbai
Date : August 20, 2016



Mahanagar Gas Limited Mumbai

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
CIN: U40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 2654 0092/2654 1046
Website: www.mahanagargas.com | Email: info@mahanagargas.com

TWENTY FIRST ANNUAL GENERAL MEETING ATTENDANCE SLIP

DP ID/Client ID/Folio No: _____

No. of shares: _____

(To be filled by the member)

I, hereby, record my presence at the **Twenty First Annual General Meeting** of the Company being held on Monday, September 26, 2016 at 1030 hours (IST) at "IES Manik Sabhagriha" Auditorium, Vishwakarma M.D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai 400 050.

Name of Member :

Name of Proxy:

Signature of Member/Proxy:

Note:

1. A Member / Proxy attending the Meeting must complete this Attendance Slip and hand it over at the entrance of Meeting hall.



Mahanagar Gas Limited Mumbai

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
CIN: U40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 2654 0092/2654 1046
Website: www.mahanagargas.com | Email: info@mahanagargas.com

PROXY FORM (Form No. MGT - 11)

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____ E-mail Id: _____

Registered address: _____ DP ID/Client ID/ Folio No: _____

I/We, being the member (s) of shares of the Mahanagar Gas Limited, hereby appoint:

1. Name:.....Addresshaving e-mail id.....or failing him/her
2. Name:.....Addresshaving e-mail id.....or failing him/her
3. Name:.....Addresshaving e-mail id.....

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Monday September 26, at 1030 hours (IST) at "IES Manik Sabhagriha" Auditorium, Vishwakarma M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai - 400 050 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Resolution	Vote/s		
		For	Against	Abstain
ORDINARY BUSINESS				
1	To consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.			
2	To declare Dividend on Equity Shares.			
3	To re-appoint Dr. Ashutosh Karnatak (DIN: 03267102), who retires by rotation at this meeting and being eligible, offers himself for re-appointment			
4	To appoint Statutory Auditors and fix their remuneration.			
SPECIAL BUSINESS				
5	To adopt new set of Articles of Association of the Company.			
6	To approve the remuneration of the Cost Auditor for the Financial Year ending on March 31, 2017.			
7	To re-appoint Mr. Santosh Kumar as an Independent Director of the Company			
8	To re-appoint Mr. Arun Balakrishnan as an Independent Director of the Company			
9	To appoint Mr. Akhil Mehrotra as Director of the Company			
10	To pay Commission to the Non-Executive Independent Directors			
11	To approve Material Related Party Transactions			

Signed this..... day of..... 2016

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

First

Second

Third

Signature of Member:

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The Proxy Form should be signed across the stamp as per specimen signature registered with the R&TA/Depository Participant (DP).
3. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Address and Route Map to the AGM Venue

"IES Manik Sabhagriha" Auditorium, Vishwakarma M.D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai 400 050.

