



# MAHANAGAR GAS LIMITED

(GAIL, Govt. of Maharashtra & BGAPH Enterprise)

Ref: MGL/CS/SE/2018/173

Date: August 23, 2018

To,

<b>Head, Listing Compliance Department</b> <b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai - 400 001 <b>Scrip Code/Symbol: <u>539957; MGL</u></b>	<b>Head, Listing Compliance Department</b> <b>National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 <b>Script Symbol: <u>MGL</u></b>
--	--

**Sub: Notice of Twenty Third Annual General Meeting of the Company and Annual Report for the financial year ended March 31, 2018.**

Dear Sir/ Madam,

We wish to inform you that the Twenty Third Annual General meeting (AGM) of Mahanagar Gas Limited for the Financial Year 2017-18 is scheduled to be held on **Monday, September 17, 2018 at 11.00 a.m. at "IES Manik Sabhagriha" Auditorium, Vishwakarma M.D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai-400 050.**

A copy of the Notice of the Twenty Third AGM, setting out the Businesses to be transacted thereat and Annual Report for the financial year 2017-18 is enclosed herewith.

You are requested to take the above information on your records and disseminate the same on your website.

Thanking you,

Yours sincerely,

For Mahanagar Gas Limited

  
**Alok Mishra**  
**Company Secretary and Compliance Officer**  
Encl.: As above



# Swachh bhi Surakshit bhi

MAHANAGAR GAS LIMITED  
ANNUAL REPORT 2017-18



MAHANAGAR  
GAS

indhan hariyali ka



# Content

002	MGL at a Glance	026	Profile of Board of Directors
004	Our Milestones	028	Awards and Accolades
006	Our Strengths	029	Corporate Information
008	Chairman's Message	030	Management Discussion and Analysis
010	Q & A with Managing Director	046	Directors' Report
012	Financial Snapshot	080	Business Responsibility Report
014	Our Business Sector	092	Report on Corporate Governance
016	Creating High Safety Standards	114	Independent Auditor's Report
018	Commitment to Our Stakeholders	120	Balance Sheet
021	Technological Developments	121	Statement of Profit and Loss
022	Our People	122	Statement of Cash Flows
024	Gas Distribution Network	125	Notes to the Financial Statements

## 216

Bulk Commercial and  
Industrial Establishment

## 3,388

Small Commercial  
Establishment

## 1.03

Million Household  
Connection



Website :  
[www.mahanagargas.com](http://www.mahanagargas.com)



Scan above QR code to  
visit the website

### DISCLAIMER

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result may deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these were derived from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



City gas distribution (CGD) is poised to play an important role in increasing natural gas penetration in the country. MGL is strategically positioned to capture the benefits of this large and growing market. The ever expanding customer base coupled with large unserved population provides a strong growth opportunity. In the coming years, **MGL plans to focus on increasing the penetration in the current authorized geographical areas through higher number of domestic connections and setting up of more CNG stations along with expeditious rollout of CGD infrastructure in the authorized Raigad district.**

As the sole authorised distributor of compressed & piped natural gas in Mumbai, Thane urban and adjoining municipalities and the Raigad district, we are focused on expanding our presence and creating more value for all our stakeholders.

# MGL at a Glance

We are one of the largest City Gas Distribution Company in India with state-of-the-art pipe infrastructure.

Incorporated in 1995, we are engaged in the business of supplying Natural Gas. With over 23 years of experience in supplying natural gas in Mumbai, MGL is the sole authorized distributor of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) in Mumbai, Thane urban and adjoining municipalities and the Raigad district. We distribute CNG for motor vehicles and PNG for domestic household use as well as commercial and industrial use. With a wide distribution network, we have a well-established customer base across Mumbai Metropolitan region and adjoining areas.

The Company is promoted by GAIL (India) Limited (GAIL) and BG Asia Pacific Holdings Pte. Ltd (BGAPH) {ultimately owned by Royal Dutch Shell group}, who hold 32.5% and 24% of our Equity Shares respectively. GAIL is a Maharatna public sector undertaking and the largest natural gas transmission company in India. BGAPH is headquartered in Singapore and is a part of the Shell Group. It is also a leader in the international exploration and production of oil, natural gas and LNG.



## Vision

To be a World Class, Consumer & Environment Friendly, Employer of Choice: committed to provide Safe, Efficient and Reliable energy; while creating Value for all our stakeholders.

## Mission for 2022

MGL's aim is to grow sustainably as an organization by leveraging core MGL values; and by 2022:

**50%**  
Grow the per - day gas distribution volume

**75%+**  
Increase the customer base

**100%**  
Achieve growth in Turnover



 City gas Station at Mahape

## Values



### Innovation



We encourage creativity, experimentation and focus on innovation for effective use of resources and improving customer experience while protecting the environment.

### Accountability



As an organization, we strive towards achieving our business and organizational goals. Each one of us is committed to add value to MGL and the society as a whole while helping the organization excel on all performance.

### Customer Centricity



At MGL, as a team, we go beyond achieving 100% customer satisfaction and ensure that our customer is at the centre of our every thought, decision and action.

### Excellence



We are always in the pursuit of excellence, striving to continuously upgrade our knowledge, skills and working towards making the systems and processes more efficient within the organization.

### Integrity

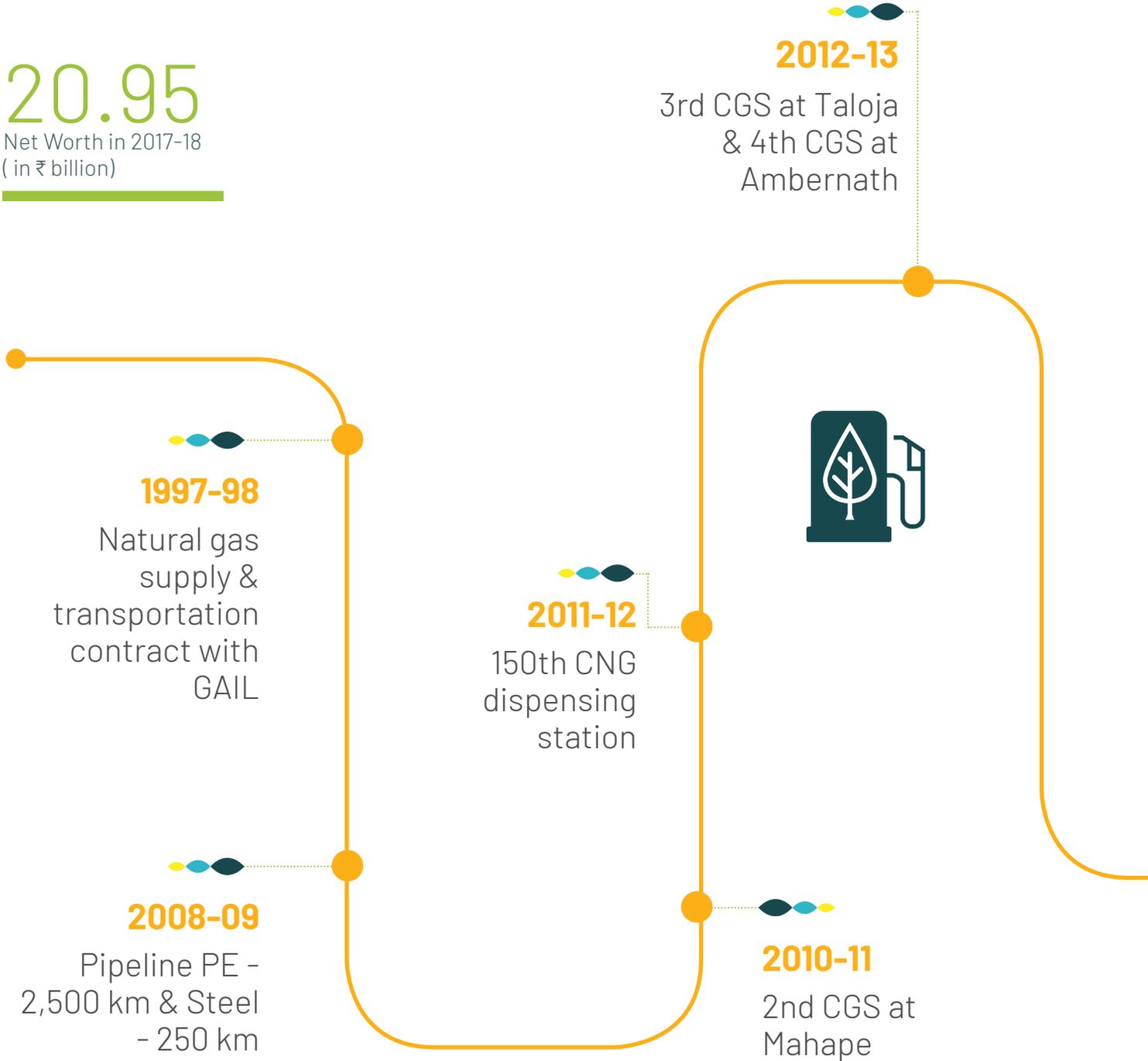


Fairness and ethical behavior are part of the MGL way of working. We ensure Integrity and transparency in all aspects of our work.

# Our Milestones

# 20.95

Net Worth in 2017-18  
( in ₹ billion)





**2015-16**

New GA Raigad

**2016-17**

200th CNG dispensing station

Listing on NSE and BSE

**2014-15**

110% allocation of domestic gas

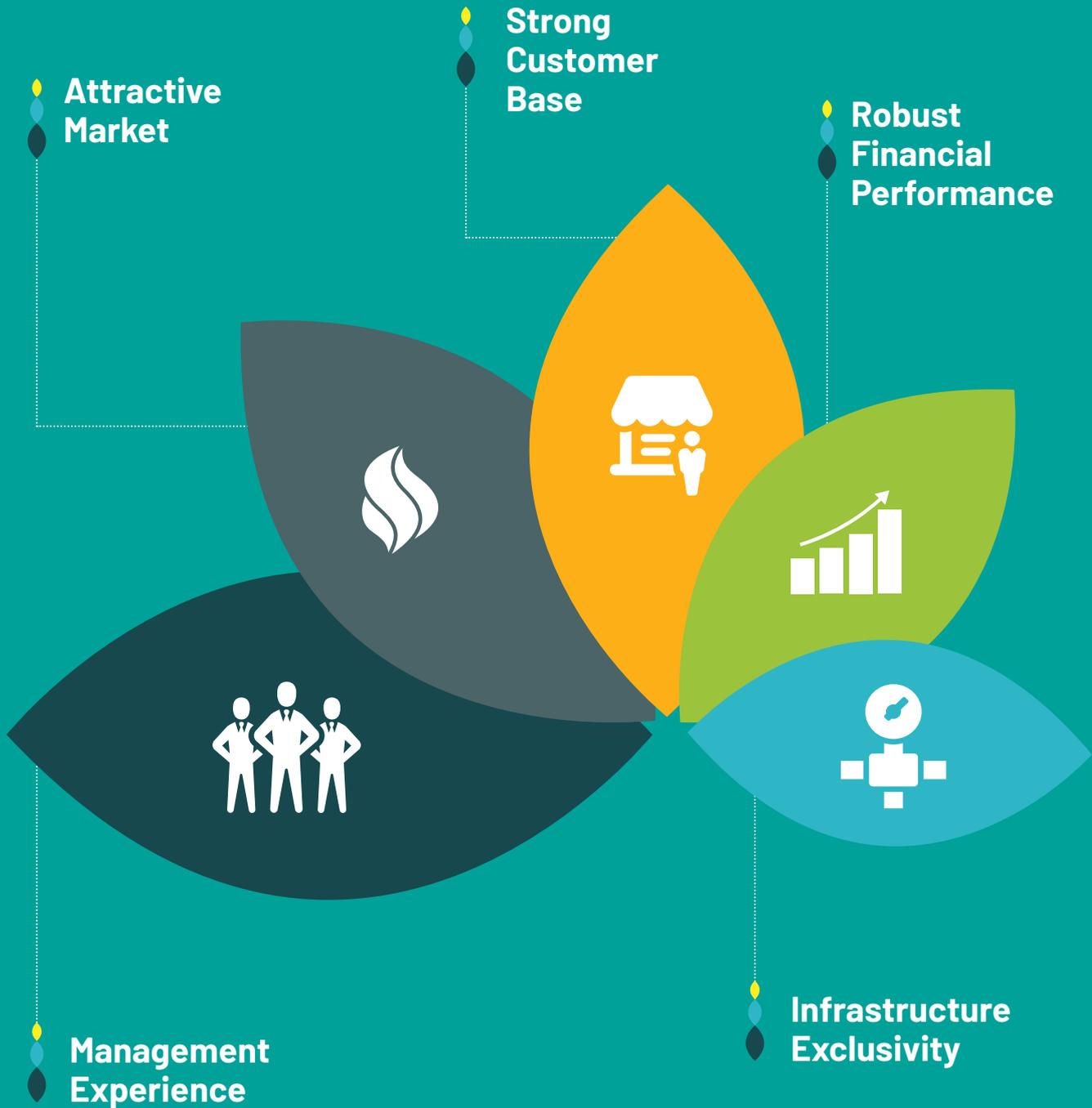
**2017-18**

Started Commercial operations in Raigad

**2013-14**

Pipeline PE - 3,800 km & Steel - 380 km

# Our Strengths



## Management Experience

Our top management expertise and experience in the CGD industry helps us shape the Company in most strategic manner. We have a team of competent and efficient professionals who have prior experience in some of the top companies across the country. This helps us to capitalize the industry opportunities in a better way by setting goals and targets which are directed towards our objective.

## Infrastructure Exclusivity

We have built an extensive supply network over the past 23 years and we further planned to expand our network and enter new areas while increasing our penetration in existing areas. MGL distributes natural gas through an extensive CGD network of pipelines. We have exclusive authorization to lay, build, expand and operate in accordance with the Petroleum and Natural Gas Regulatory Board 2008 in Mumbai until 2020, in Thane urban and adjoining municipalities until 2030 and the Raigad district until 2040.

## Robust Financial Performance

Since the past few years, we have witnessed a strong growth in our revenue, profits and profitability margins. This growth was mainly driven by increase in customer base and coverage area. We have experienced a CAGR of 5.1% in PNG volume and that of 5.5% in CNG volume between FY13 and FY18.

## Strong Customer Base

Over the years, we have taken various initiatives that have helped us to increase our customer base. The cost effective availability of domestic natural gas coupled with sourcing flexibility helps us to reduce our gas cost and thus provide our customer with natural gas at a low cost.

## Attractive Market

India is one of the largest energy consumers of the world after China with a rapid growth in energy consumption since the past decade. With increase in use of environmentally clean fuels, natural gas is expected to play a dominant role in the country's energy spectrum. Typically, CNG and PNG provide more benefits when compared to liquid fuels as they offer higher fuel efficiency to the customers.



City gas Station at Ambernath

# Chairman's Message

34.94

EBITDA Margin in FY18  
(in %)

5.14

Growth in sales  
volume (in %)

## Dear Shareholders,

Over the years, we have established ourselves as one of the leading natural gas distribution companies of India. MGL has a strong presence in Mumbai, Thane urban and its adjoining municipalities, where we supply both piped gas and CNG. The trust that customers and stakeholders have shown in our abilities, has helped your company deliver consistent results and achieve significant milestones during the year. We believe that our experience of more than two decades coupled with Company's dynamic leadership, empowered and competent workforce and pragmatic business acumen and strong promoter support provide us a competitive advantage, allowing the Company to expand and grow its business.

India is among the fastest growing economies of the world with a GDP of \$2.6 trillion in F.Y. 2017-18. GDP growth rate witnessed a cyclical movement as it reached a low of 5.3% in the first quarter and bounced up to 7.7% in the fourth quarter of F.Y. 2017-18. In the backdrop of such heightened economic activity, the demand for natural gas has increased significantly due to rapid growth in population, increase in urbanization, policy support and development of pipeline infrastructure. By 2025, Natural Gas sector is expected to make a significant contribution to the country's energy mix. Much of the future growth of natural gas usage in domestic economic will play out in the City Gas Distribution (CGD) segment. At MGL, we are strategically positioned to leverage new opportunities in the CGD sector.

## Operational Overview

During the financial year 2017-18, we improved our operational efficiencies while growing in financial terms. MGL achieved an overall growth in sales volume of 5.14% in FY 2017-18 in comparison to previous fiscal. We successfully added 20 new CNG stations and upgraded 14 existing stations, which led to an increase in compression capacity by around 3.45 lakhs kg per day. As on date, our total compression capacity stands at 30.80 lakhs kg per day. In FY 2017-18, we were able to supply gas to 1,03,750 additional households and 441 new industrial and commercial consumers.



Mr. Akhil Mehrotra - Chairman

## Financial Performance

Our financial performance during the year was admirable. We increased our revenue to ₹2,452.92 crore in FY 2017-18 from ₹2,239.07 crore in 2016-17. Despite increase in gas cost, EBITDA margin improved by 327 bps to reach 34.94% in FY2017-18. We delivered a net profit after tax (PAT) of ₹ 477.87 Crore, a 21.47% increase over the PAT of ₹ 393.42 Crore in the previous fiscal.

The results reflect combined effect of higher margin capture and volume growth in CNG and PNG segments. Increase in the price of competing fuels linked to Brent, aided margins in industrial and commercial segment.

## Safety

MGL believes that outstanding business performance requires outstanding HSE performance. We believe in Goal Zero, which means all injuries are preventable. We work relentlessly to ensure health and safety of our employees and contractors. During the year, we undertook various programmes to increase the awareness about safety amongst our consumers. Nurturing the highest level of safety standards, we worked towards the goal of zero injuries and achieved 10.35 Million Man-Hours Lost Time Injury (LTI) free operations, which is an outstanding achievement.

## Corporate Social Responsibility

Your company's commitment towards social responsibility is interwoven in its DNA. Your company has synchronized its CSR with national development agenda thereby fostering the



Moving ahead, MGL continues to focus on its twin strategic priorities - increasing the penetration in the current authorized geographical area (GA's) and expeditious rollout of CGD infrastructure in the newly authorized Raigad district.

company have also won accolades. Being a socially responsible corporate your company will continue to strengthen its CSR portfolio to create shared value.

## Way Forward

Moving ahead, MGL continues to focus on its twin strategic priorities - increasing the penetration in the current authorized geographical area (GA's) and expeditious rollout of CGD

philosophy of taking care of the community for a sustainable tomorrow. Under MGL Unnati, 110 students (since inception) from economic background have been assisted in their quest to clear competitive engineering entrance examination. Nearly 85% of the students cleared JEE Mains, while nearly 35% clear JEE Advance. Your company has also facilitated access to safe drinking water to nearly 800 souls in remote tribal areas under Naal Paani Yojana. More than 400 children of sex workers are being groomed by your company with the objective of putting them in mainstream education. MGL is also empowering 10000 youths from 30 government, aided and low-cost affordable schools in Mumbai with remedial education and counselling of vulnerable students. Your company is also contributing towards the 'Skill's India Campaign' with its intervention through MGL Hunar, under which employment oriented technical training is provided to unemployed and underemployed youths. The trades include Gas Plumbing, Welding, Electrician and Refrigeration and Air Conditioning. Your company is also contributing towards Govt. of India's initiative of 'Swatch Bharat Abhiyaan' with construction of toilets in schools and other institutions. CSR initiatives of your

infrastructure in the newly authorized Raigad district. We expect to spread our reach and set up new CNG stations and upgrade existing CNG stations in coming years. Our future priorities remain embedded in expanding our network to reach all our customer segments in our geographical areas.

On behalf of the Board of Directors and the entire management team, i would like to thank all our shareholders, investors and customers for showing faith in us. We would also like to thank all employees of MGL for another year of stellar performance. We look forward towards many more years of success and your support.

**Akhil Mehrotra**  
Chairman

# Q & A with Managing Director



In coming years, we would continue to expand our operations in new markets.

477.87

PAT in 2017-18  
(₹ in Crore)

5,042

Pipeline Network  
(in Kms)

**Q** How would you review the financial performance of your company during the year 2017-18?

**A** The financial year 2017-18 marked another year of excellent growth for us. The Company achieved a growth rate of 9.55% in revenue from operations as compared to previous year. The year witnessed a boost in CNG sales volume of 4.46%, domestic sales by 10.47%, commercial sector by 5.62% and Industrial sector by 3.02%. Overall PNG sales volume also grew by 7.08% during the fiscal year 2018. We experienced a growth of 21.11% in EBITDA from ₹644.15 crore in FY 2016-17 to ₹780.11 crore in FY 2017-18. As a result, we recorded a strong EBITDA margin of 34.94% in FY 2017-18 with an increase of 327bps as compared to FY 2016-17. Our PAT increased from ₹393.42 crore in 2016-17 to ₹477.87 crore in FY 2017-18. I am glad to inform you all that in backdrop of strong operational and financial performance, the Board has recommended final dividend of 110%, in addition to interim dividend of 80% already paid for the financial year 2017-18.

**Q** What was the reason for this growth?

**A** During the year, we experienced growth mainly due to favourable external environment. The increase in crude oil prices led to a rise in prices of industrial fuels such as LSHS and FO along with a rise in price of alternative commercial fuel like commercial LPG, which resulted in better realisation from industrial and

commercial sectors. There was also a reduction in the cost of gas procurement. An increase in awareness of eco-friendly fuel led to a rise in number of CNG vehicles, thus boosting the demand of CNG. We continued to successfully increase our customer base that led to a further boost in gas sales volume.

**Q What are the new steps taken by our company on operational front during the year?**

**A** During the year, we were successfully able to supply gas to 1,03,750 domestic (PNG) additional households and 441 industrial and commercial consumers. Additionally, we have created infrastructure for 20 CNG stations and upgraded 14 stations. As of March 2018, we catered to over 1.00 million households and 3,600 industrial and commercial consumers. We have also set up 223 CNG stations and a pipeline network of 5,042 kms across Mumbai. This year, five CNG stations became operational in Raigad district and three more stations are being set up. We were also able to make provision to establish connectivity with 3,000 domestic PNG consumers in Uran through virtual pipeline or cascade supplies. Going ahead, we plan to spread our operations in major towns in the Raigad district.

**Q What opportunity do you plan to capitalize from CGD sector?**

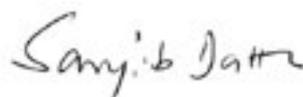
**A** The long term City Gas Distribution business looks very positive primarily in view of favourable regulatory environment, and Government's plan to replace LPG connection with PNG in urban areas. The enthusiastic participation amongst the industry players shown during the ninth round of city gas distribution bidding is the harbinger of success for the CGD industry. Likely surge in the natural gas demand due to increased awareness about pollution and commitment of the Government of India made at COP21, coupled with rising population, rapid urbanization, strong policy framework and guidelines in terms of CGD footprint expansion, mission PNG, smart cities, green corridors, etc., and the development of CGD network in over 326 cities by 2022 will lead to major growth in this sector. We look forward to capitalise on these opportunities in the CGD sector and also continue to strengthen our market presence in the existing areas of operations.

**Q What are the plans of MGL in coming years?**

**A** In coming years, we would continue to expand our operations in new markets. MGL is strategically positioned to capture the benefits of the large and growing market, given the low penetration in its area of operation. We shall establish connectivity to new PNG connections and set up new CNG stations while upgrading existing CNG stations thereby fostering our sustainable growth. A number of new sites have been identified for setting up CNG stations, including in Raigad district. We endeavour to expand the footprint of offering eco-friendly fuel, to non-gasified regions of MMR region and Raigad district through pipelines as well as through cascade supplies. In order to expand our geographical footprint, we shall be exploring possibilities of M & A as well as JV formation with other entities.

1,03,750

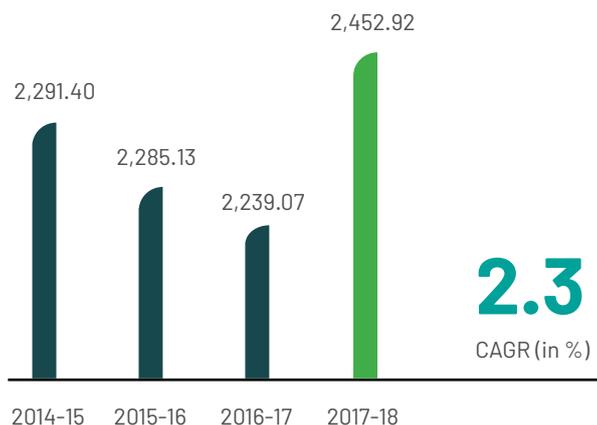
Additional Households  
for PNG connection in  
F.Y. 2017-18



**Sanjib Datta**  
Managing Director

# Financial Snapshot

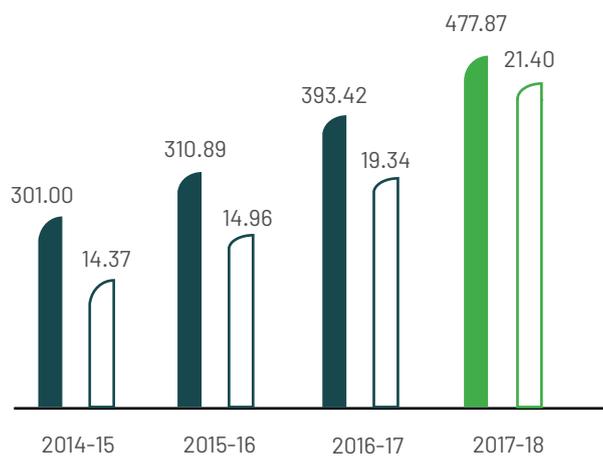
## Revenue (in ₹ Crores)



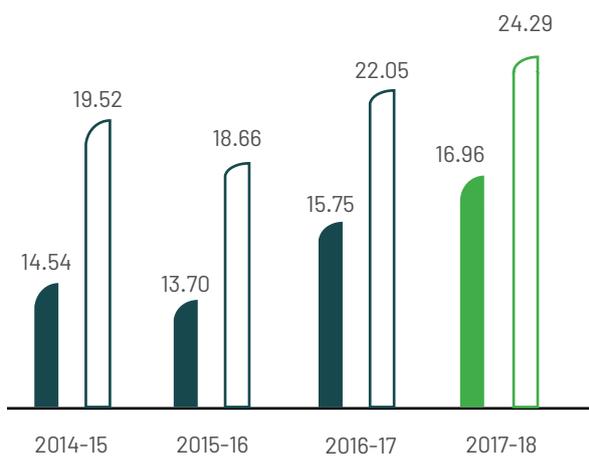
## Average Realization/SCM (in ₹)



## PAT (in ₹ Crores) / PAT margin (in %)



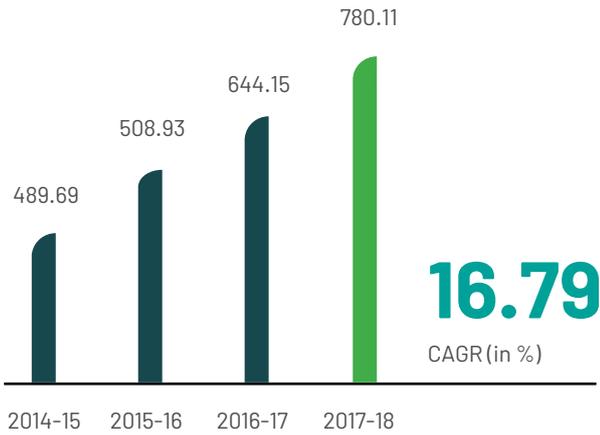
## ROA (in %) / ROE (in %)



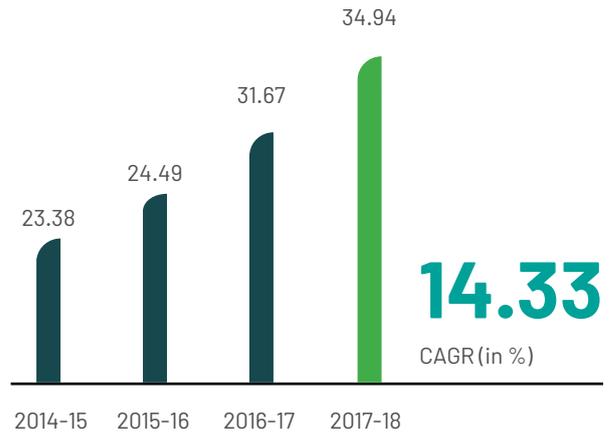
■ ■ PAT  
  PAT margin

■ ■ ROA  
  ROE

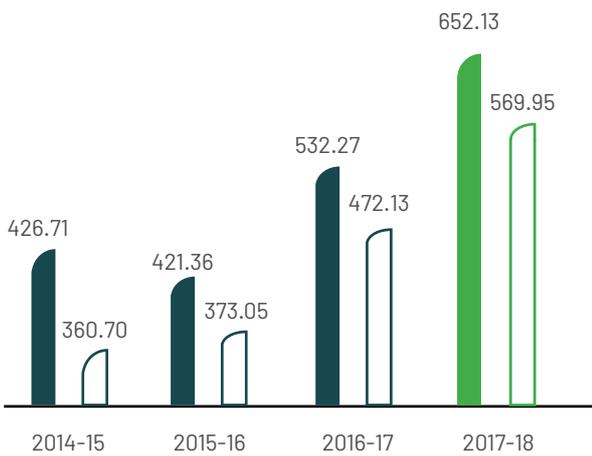
**EBITDA** (in ₹ Crores)



**EBITDA Margin** (in%)

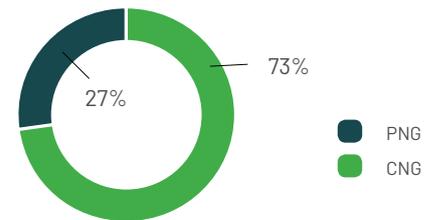


**Operating Cash Flow** (in ₹ Crores) /  
**Adjusted Funds Flow from Operations** (in ₹ Crores)

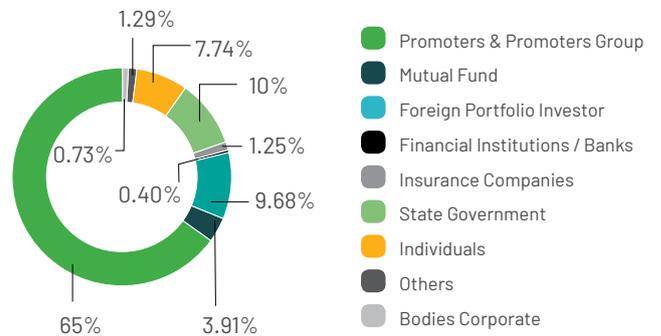


■ Operating Cash Flow  
 Adjusted Funds Flow from Operations

**Sector-wise volumes**



**Shareholding Pattern as on March 31, 2018**



# Our Business Sector

## PNG



At MGL, we enjoy an advantage of pioneering Natural Gas distribution network of Mumbai, Thane urban and adjoining municipalities and the Raigad District. With more than a million households connected through our wide distribution network of 5,042 Kms, we provide piped natural gas (PNG) through Carbon Steel (CS) and polyethylene (PE) pipeline. PNG has several distinctions to its credit of being safer fuel, efficient, pollution free and economical, being few of them, when compared to other fuels.

427

Steel Pipeline  
(in Kms)

4,615

PE Pipeline  
(in Kms)

0.72

Sales Volume of PNG  
(in mmscmd)

5.1

5-year CAGR growth in  
PNG Sales Volume (in %)

### Applications of PNG

- Cooking
- Water Heating
- Hospitals and Nursing Homes
- Flight kitchens
- Hotels and restaurants
- Places of worship
- Power
- Industries

### Industries we serve under PNG

- Metal
- Pharmaceuticals
- Food and Beverage
- Printing and Dyeing
- Oil Mills
- Air conditioning
- Power Generation
- FMC product manufacturers

### Benefits of PNG



**Convenience-** PNG is continuously fed into the system which reduces the inconvenience caused by refilling or changing of cylinders as it is piped and thus does not require any place to be stored. PNG is easy to handle, hence it is safe and secure.



**Eco-friendly-** PNG improves public health as it reduces the transportation of stored or bottled gas thereby ensuring safety while transferring the bottles gas from one place to other.



**Economical-** PNG results in higher savings than other conventional fuels making it economical in nature.



**Consistent and reliable supply-** We have a track record of around 100% reliability in supply of PNG even during challenging situations.

## CNG



CNG is a substitute for other fuels used in automobiles such as petrol, diesel, and auto LPG. Natural gas is compressed and dispensed to vehicles at high pressure of 200 bar which enhances the vehicle on board storage capacity. Today, CNG is being used by most of the auto rickshaws, taxis, transport undertakings such as BEST, school buses, etc. We have well-established network of 223 CNG stations with over 1290 dispensing points spread across Mumbai and its adjoining areas.

## Benefits of CNG



**Economical-** CNG delivers high performance at relatively low cost as it provides better mileage to the automobiles. Further, it does not contaminate or dilute the crank case oil, extending the operational life of engines.



**Easy Availability-** CNG is easily available across various cities in India and more are about to have CNG stations. We have developed a wide network of CNG stations in areas such as Thane, Navi-Mumbai, Mumbai, Mira-Bhayander.



**Eco-friendly-** The use of CNG leads to a reduction in harmful vehicular exhaust gas emissions such as carbon dioxide, and carbon monoxide. It reduces the effects of global warming as it is non-toxic, non-corrosive, non-carcinogenic, and thus improves public health.



**Safe and Reliable-** CNG has a narrow flammability frame when compared to other fuels making it safer. Moreover, the higher ignition temperature than other fuels reduces chances of accidental and spontaneous ignition.

## Vehicles Include

2,65,364

Auto Rickshaws

62,859

Taxis

2,71,056

Cars

9,997

Other vehicles

1.98

Sales Volume of CNG  
(in mmscmd)

5.5

5-year CAGR growth in  
CNG Sales Volume (in %)

0.61

Number of Vehicles  
provided with CNG  
(in million)

# Creating High Safety Standards



◆ Safety Measures

10.35 million

Number of Accident free  
man hours in MGL history



## Path to Safety

The safety vision of MGL is to make the organization as an incident and injury free Company. To attain this objective, we have incorporated core values in our business operations. The four core values are Trust, Confidence, Empowerment and Zero Tolerance. We have empowered our employees to follow the Safety Leadership Charter which aims to make aware of the importance of safety rules. Monitoring, review and improvement are tools that not only help to enhance the effectiveness and safety of the present system at the MGL but also have helped to design and implement the future system in a better way. MGL has

achieved 10.35 million lost time accident free man hours.

MGL is accredited to OHSAS 18001:2007 for Occupational Health & Safety Management system and ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management Systems.

Safety is seen as not only as the personal responsibility of the employees towards the Company but also towards the consumer and society as well.

## At MGL, everyone has a duty and responsibility to ensure that Life Saving Rules are enforced.

### Authorization Required



Obtain authorization before overriding or disabling safety critical equipment



Follow prescribed Journey Management Plan



Obtain authorization before entering a Confined Space



Conduct gas test when required



Work with valid work permit when required



Ensure Risk Assessment is completed & controls are in place before starting any job

### Must Do



Verify isolation before work begins and use the specific life protecting equipment



Protect yourself against any untoward incident at all places by ensuring required PPE Compliance



Ensure Hazards & Nearmiss are reported to line manager for corrective actions



Protect yourself against a fall when working at height



Ensure all Safety Compliances while doing Excavation



Wear your seat belt

### Must Not Do



Do not walk/stand under a suspended load



No alcohol or drugs while working or driving



Do not smoke in designated No Smoking Areas



While driving, do not use your phone and do not exceed speed limits

# Commitment to Our Stakeholders

## People

We believe in providing constant learning and development opportunities for our employees. Our human resource management and development tools are aimed towards providing structured raining activities for our employees. We have developed a transparent and effective line of communication to ensure

team based working and promote a culture which is based on trust and confidence. We also conduct regular awareness workshops for well-being of our employees. We believe in maintaining friendly working environment for our employees.

542

Number of Employees



◆ Saksham Cyclothon 2018



◆ Employee get together

## Customers

CNG as a fuel, has gained more popularity and has been positioned well as a cleaner fuel and has attracted more customers preferring CNG over other fuels for their new purchases. MGL is the first CGD Company to have SAP based customer care system, which is easily accessible across all our offices situated in around Mumbai and adjoining areas.

We are leveraging the digitalization drive to make our services more user friendly, further increasing customer preference. In serving the customers, we have been using technology as an enabler and with this, we are committed to provide safe and uninterrupted supply of natural gas to our customers.

# 609.3

Number of CNG customers in 2017-18 (in '000s)

# 16.4

5-year CAGR growth in CNG customers (in %)

# 1,033.6

Number of PNG customer in 2017-18 (in '000s)

# 10

5-year CAGR growth in PNG customers (in %)



## Business Partners

Throughout our journey, we have associated ourselves with different people and organization across the supply chain. We have a well-established procurement process and transparent evaluation criteria for selection of vendors.

288

Number of vendors as on 31st March 2018

182

Number of service providers as on 31st March 2018

## Environment

At MGL, we aim to provide a clean source of energy that reduces pollution level in Mumbai and its adjoining areas. We provide Compressed Natural Gas (CNG) which is ecofriendly fuel to our customers. Natural Gas is the most benign fossil fuel which has led to the reduction of emissions at the customers end.

1,600

Daily reduction in Mumbai and adjoining areas (in tons)



◆ Laying of pipeline at Durgadi creek

# Technological Developments

Over the years, use of technology has gained prominence in the business operations. We have been continuously investing towards technological developments in a rapidly changing technology driven world.

In its endeavour to use technology for transformation, MGL has a mobile application named 'MGL Connect' which facilitates the PNG (domestic) and CNG customers to upload gas meter readings, download registration forms, name change forms, and locate nearby CNG filling stations. MGL is one of the first entities in the city gas domain to embark on initiatives on cloud and has created a disaster recovery site for all its Non-ERP and mobility applications on Amazon cloud.

MGL, in its continuous endeavor for contributing towards the greener environment and promoting technological developments leased out First retrofitted CNG Fueled Honda - CRV for its Senior Management. This was the first brand-new Honda - CRV from Mumbai region to be retrofitted with CNG Kit.

We have purchased Gas detection Camera (FLIR) for gas leak surveys which has been certified as intrinsically safe. This camera is specifically tuned to visualize emissions that are impossible to see with the naked eye.

Making optimum use of the technology, MGL is 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 and revenue realisation.

We also provide expert services to other City Gas Distribution entities to achieve their digitization goals.



# Our People

Performing competitively in the evolving energy landscape requires competent and empowered people working safely together across the organisation. We have a team of 542 competent and efficient employees who work in accordance with our values and goals.

MGL has always supported a participative culture through consultative approach, thereby establishing a harmonious relationship for industrial peace and higher productivity. We seek to attract, develop and retain people who work productively together in order to achieve the Company's objectives in a way that is consistent with its values.



## Our Spirit

- ▶ A constant mindfulness among our employees so that we remain vigilant and non-complacent.
- ▶ An approach which is just and fair based on responsibility and accountability of our employees
- ▶ Openness which helps our employees to express their grievances and concerns regarding the organization
- ▶ Reflection that drives and challenges the knowledge and growth of our employees and make them ready to face similar challenges in the future
- ▶ Challenging the potential of our helps so that they perform better every time, whenever any such situation arises.
- ▶ Consistency in the work of our employees





## Training and Development

At MGL, we believe that training initiatives should be designed to focus towards overall development of our employees. We conduct various training activities including training on safety precaution of our employees. Safety and Technical Competency Training (STC) have been developed to ensure incident free and injury free work of employees at site.

# 16,144

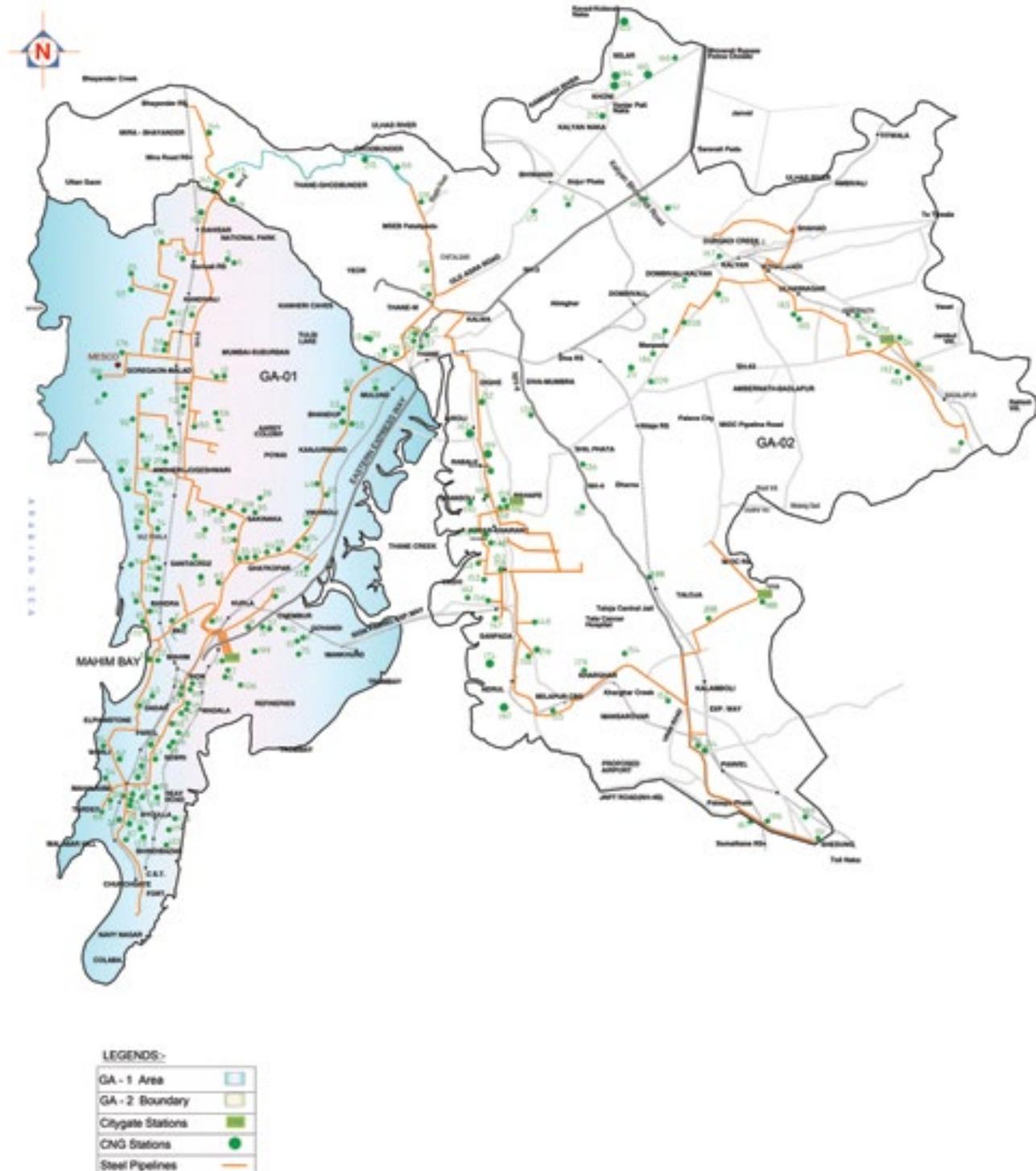
Training hours in 2017-18



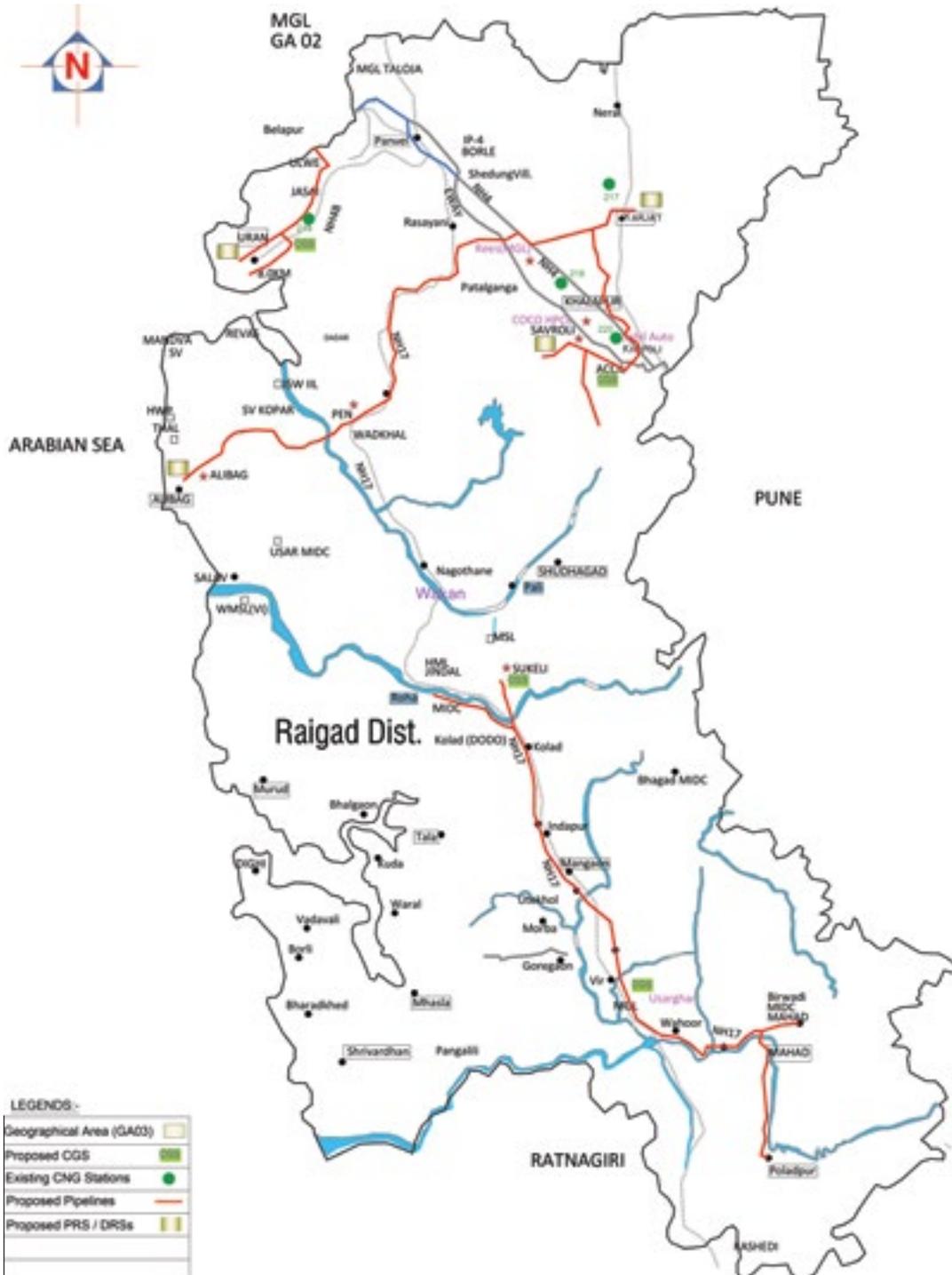
Mobile STC training

# Gas Distribution Network

## Geographical (GA-1 and GA-2)



## Geographical (GA-3)



# Profile of Board of Directors



1 2 3 4 5

6 7 8 9 10

## 1. Mr. Akhil Mehrotra

Chairman (Nominee of BGAPH)

- Over 27 years of experience in the industry. Presently, Director - Downstream business, BG India.
- Previously associated with the Reliance Group of Companies.

## 2. Mr. Virendra Nath Datt

Non-Executive Director (Nominee of GAIL)

- Rich experience of over 33 years in the Natural Gas Industry in India.
- He started his career with ONGC in 1985 and then moved to GAIL in 1995.
- Holds a Bachelor's degree in Science from Kurushetra University, Haryana and a Masters in Business Administration from Maharishi Dayanand University, Rohtak, Haryana.

## 3. Mr. Satish Gavai

Non-Executive Director (Nominee of Government of Maharashtra)

- Over 30 long years of service. Presently, he is Additional Chief Secretary (Industries).
- Among the major profiles handled, he has been Chief Executive Officer of MIDC, Mumbai, Vice President & Chief Executive Officer of MHADA, Mumbai and Additional Municipal Commissioner of MCGM, Mumbai.
- Graduated in B.Sc Physics and done his Masters in Professional Studies from Cornell University, US.

## 4. Mr. Raj Kishore Tewari

Independent Director

- Over 38 years of expertise and wide experience in matters relating to direct tax.
- Previously served as the Chairman of the Central Board of Direct Taxes in the Ministry of Finance, Govt. of India.
- M.Sc. (Fiscal Studies) from the University of Bath, UK, M.Sc. (Physics) from the University of Lucknow and Bachelor's degree in Law from the University of Mumbai.

**5. Mr. Arun Balakrishnan**

Independent Director

- Over 37 years of experience and previously served as Chairman and Managing Director of HPCL.
- PGDM from IIM, Bangalore and Bachelor's degree in Chemical Engineering from the University of Calicut.

**6. Mr. Santosh Kumar**

Independent Director

- More than 30 years of experience in Fertilizers & telecom followed by a major part in Oil & Gas Industry in India. Served for 3 years as Director (Projects) at GAIL.
- Previously held positions such as Chairman, Green Gas Ltd., Director on the Boards of Maharashtra Natural Gas and Central UP Gas Ltd., and Advisor with GSPL.
- Bachelor's degree in Electronic Engineering from the University of Allahabad.

**7. Mrs. Radhika Haribhakti**

Independent Director

- Over 31 years of experience in Commercial and Investment banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch.
- Serves as an Independent Director on the Boards of Adani Ports & SEZ, EIH Associated Hotels, Ltd., ICRA Ltd., Navin Flourine International Ltd., Rain Industries Ltd and Vistaar Financial Services Pvt. Ltd.
- An MBA in Finance from IIM, Ahmedabad and Commerce graduate from Gujarat University.

**8. Mr. Premesh Kumar Jain**

Independent Director

- On the Board effective from April 09, 2018.
- Over 35 years of experience in Oil & Gas sector in areas of FX Risk Mgmt, Budgeting & Corporate Accounts.
- Former Director (Finance) of GAIL for more than 6 years.
- Chartered Accountant and MBA (University of Hull, UK).

**9. Mr. Sanjib Datta**

Managing Director (Nominee of GAIL)

- Over 32 years of experience.
- Heading business development function in GAIL prior to joining MGL.
- Holds a Bachelor's degree in Electrical Engineering from Jadavpur University, Kolkata.

**10. Mr. Goutam Ghosh**

Technical Director (Nominee of BGAPH)

- Over 36 years of experience.
- Before taking over his current role in MGL, Mr. Ghosh was Head, HSSE & Assurance, BGEPIIL (a part of the Royal Dutch Shell plc group of Companies) and a member of Asset Leadership Team of BGEPIIL since 2011.
- Mr. Goutam Ghosh is a post graduate from Indian Institute of Technology (Indian School of Mines), Dhanbad and earned a diploma in Management from Chartered Management Institute, UK.

**Directors associated during the year**

**Ms. Susmita Sengupta**  
Technical Director  
(upto November 06, 2017)



**Mr. Jainendar Kumar Jain**  
Director  
(upto March 04, 2018)



**Mr. Rajeev Mathur**  
Managing Director  
(upto May 30, 2018)



**Mr. Sunil Porwal**  
Director  
(upto July 31, 2018)

# Awards and Accolades



◆ Mahanagar Gas Limited was conferred with the Yes Bank-Business World Best CFO Award 2018



◆ Mahanagar Gas Limited was conferred with the Financial Express CFO Award 2018



◆ Social Change Award 2018



◆ Innov Award in Gold Category

# Corporate Information

## Board of Directors

**Mr. Akhil Mehrotra**  
Chairman  
(w.e.f May 28, 2017)

**Mr. Virendra Nath Datt**  
Director  
(w.e.f May 28, 2017)

**Mr. Satish Gavai**  
Director  
(w.e.f July 31, 2018)

**Mr. Sunil Porwal**  
Director  
(upto July 06, 2018)

**Mr. Raj Kishore Tewari**  
Director

**Mr. Arun Balakrishnan**  
Director

**Mr. Santosh Kumar**  
Director

**Mrs. Radhika Haribhakti**  
Director

**Mr. Premesh Kumar Jain**  
Director  
(w.e.f April 09, 2018)

**Mr. Jainendar Kumar Jain**  
Director  
(upto March 04, 2018)

**Mr. Sanjib Datta**  
Managing Director  
(w.e.f May 30, 2018)

**Mr. Rajeev Mathur**  
Managing Director  
(upto May 30, 2018)

**Mr. Goutam Ghosh**  
Technical Director  
(w.e.f November 20, 2017)

**Ms. Susmita Sengupta**  
Technical Director  
(upto November 06, 2017)

## Chief Financial Officer

Mr. S.M. Ranade

## Company Secretary & Compliance Officer

Mr. Alok Mishra

## 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

The Development Bank of  
Singapore Ltd.

CITI Bank NA

Development Credit Bank Ltd

State Bank of India

## Statutory Auditors

M/s. S R B C & CO LLP  
Chartered Accountants,  
14th Floor, The Ruby, 29 Senapati  
Bapat Marg, Dadar (West),  
Mumbai - 400 028.

## 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.

## Secretarial Auditors

M/s. Mehta & Mehta,  
Company Secretaries,  
201-206, Shiv Smriti, 2nd Floor,  
49/A, Dr. Annie Besant Road, Worli,  
Mumbai - 400 018.

## Registered Office

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

## Registrars & Transfer Agents

Link Intime India Private Limited,  
C-101, 247, Lal Bahadur Shastri Marg,  
Gandhi Nagar, Vikhroli (West),  
Mumbai - 400 083

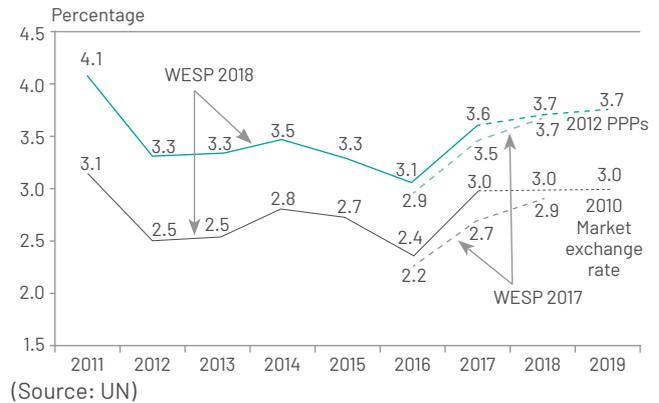
# Management Discussion and Analysis

## Global Economic Overview

(Source: UN/BP outlook 2018)

The world economy continues to grow, driven by increasing prosperity in the developing world. In 2017, global economy grew by 3%, a significant acceleration compared to growth of just 2.4% in 2016, and the highest rate of global growth recorded since 2011 (referred in Figure 1). The global GDP growth is projected to average around 3.7% p.a. in the year 2018 (at Purchasing Power Parity exchange rates), broadly in line with growth seen over the past 25 years. Conditions for investment have generally improved, amid low financial volatility, reduced banking sector fragilities, recovery in some commodity sectors and a more solid global macroeconomic outlook. The increasing prosperity of the developing world would be a key force in shaping economic and energy trends over the next 25 years. Over 80% of the expansion in the world output is driven by emerging economies, with China and India accounting for over half of that expansion.

Figure 1: Growth of world gross product



## Indian Economic Overview

(Source: Economic Survey of India)

India is rated as one of the fastest growing economies, with an average GDP growth of 7.5% between FY 2015-FY 2017. A series of major reforms undertaken over the past year will allow real GDP growth to reach 6.75% this fiscal and will rise to 7.0 to 7.5% in 2018-19, thereby re-instating India as the world's fastest growing major economy.

The economic survey points out that India can be rated as among the best performing economies in the world as the average growth during last three years is around 4% points higher than global growth and nearly 3% points higher than that of Emerging Market and Developing Economies. This growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable.

Goods and Services Tax (GST) has given a new perceptible of the Indian economy and new data has emerged. There has been a fifty percent increase in the number of indirect taxpayers. There has also been a large increase in voluntary registrations, especially by small enterprises that buy from large enterprises wanting to avail themselves of input tax credits.

Inflation in the country continued to moderate during FY 2018. Consumer Price Index (CPI) based headline inflation averaged 3.3% during the period which is the lowest in the last six financial years. The economy has seen a growth in demand for energy and with the country's commitment to low carbon energy use, India has the potential to be a much larger producer and consumer of natural gas.

### Outlook:

(Source: MoPNG)

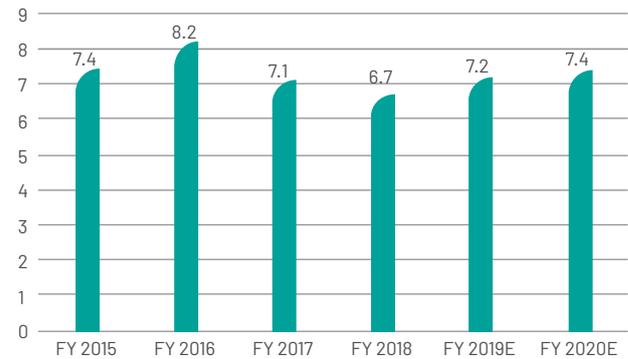
India would continue to remain one of the fastest growing economies in the world. As per a report of the United Nations titled 'World Economic Situation and Prospects 2018', the outlook for India remains largely positive, underpinned by robust private consumption and public investment as well as ongoing structural reforms. Hence, GDP growth is projected to accelerate from 6.7% in FY 2018 to 7.2% in FY 2019 and 7.4% in FY 2020 (Referred in Figure 2).

Some of the factors could have dampening effect on GDP growth in the coming year viz. the possibility of an increase in crude oil prices in the international market. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.

# 6.75%

GDP growth rate of India in FY 2018

Figure 2: Yearly GDP Rate (in Percentage)



(Source: Economic Survey)

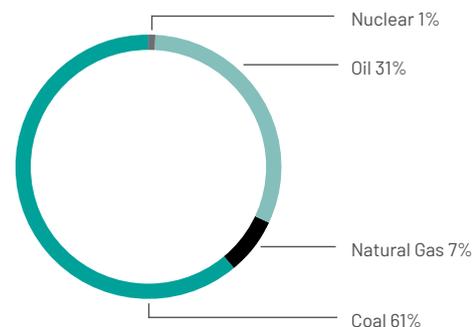
## Indian Industry Overview

(Source: Ministry of Petroleum and Natural Gas)

India's natural gas sector accounts for 7% of the total energy mix of the economy (Energy Mix depicted at Figure-3 below). In recent years, the demand for natural gas in India has increased remarkably owing to higher availability of transmission and distribution infrastructure, cost advantages of natural gas in comparison to alternate available fuels and environment friendly characteristic of natural gas. The key drivers of demand of natural gas are the Power and Fertiliser sector which accounts for not less than 50% of gas consumption. In regional terms, out of six major regions: Northern, Western, Central, Southern, Eastern and North-Eastern; the Western and the Northern regions are the highest consumers due to better pipeline connectivity. However, the regional imbalance is expected to bottom out soon with the development of infrastructure.

During 2017-18, overall natural gas production grew by 2.35% to 32.6 Billion Cubic Meter (BCM), out of which 80.4% of natural gas production was by ONGC and OIL from selected regime while the rest 19.6% of natural gas was produced by private players. The

Figure 3: Share of Natural Gas in Total Energy Consumption

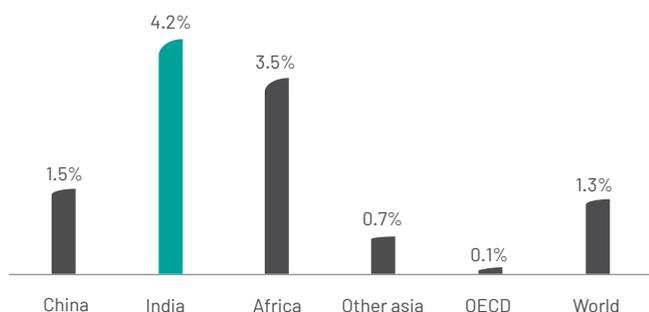


proportion of offshore natural gas production was 67.6% in FY 2018 while the rest natural gas production was from 10 States, which includes Tamil Nadu (3.7%), Tripura (4.4%) and Assam (9.9%) as the key players.

The increase in consumption of natural gas was due to an increase in domestic demand. In order to satisfy the rising demands, the country's LNG import grew by 7.3% Year on Year (YoY) basis during FY 2018. The government is also taking initiatives to meet the additional demand by accelerating exploration and production activities of natural gas.

India's energy consumption would grow by 4.2% p.a., faster than all major economies in the world (referred in Figure 4), coal would contribute most to meeting this demand followed by renewables. India's share of global demand is expected to rise to 11% in 2040 from 5% in 2016 (referred in Figure 5), accounting for the second largest share of the BRIC countries.

**Figure 4: Energy Consumption Growth (CAGR) for the period 2016-2040**



(Source: UN)

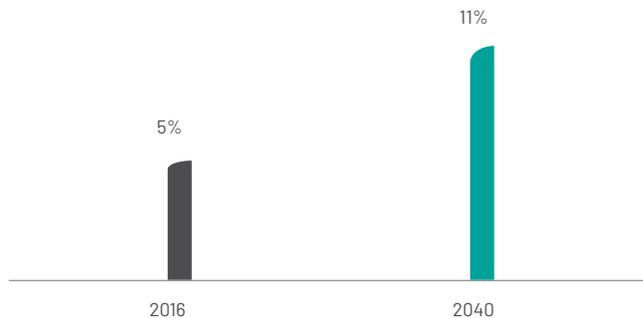
**City Gas Distribution (CGD)**

In India, the Petroleum Natural Gas Regulatory Board (PNGRB) is the regulatory body for city gas distribution and is responsible for licensing new areas to establish infrastructure.

Mahanagar Gas Limited (MGL) is a leading market player in distributing compressed natural gas (CNG) which is used in motor vehicles and piped natural gas (PNG), which is a supplement for domestic households, commercial and industrial units in selected districts of Maharashtra.

The future prospect of the City Gas Distribution (CGD) segment appears to be positive. The government's intent to move to a gas-based economy and the conducive policy landscape bodes well for the growth of the city gas segment in future. The initiative of the government to provide 1 crore Piped Natural Gas (PNG) connections, the introduction of stringent emission levels for vehicles and the

**Figure 5: India's Share of Global Energy Demand**



(Source: UN)



 City gas station at Taloja

proposal to develop green corridors are well aligned with the goal of reducing the carbon footprint. Furthermore, the introduction of an e-portal, expeditious environmental clearances, simpler Ministry of Road Transport and Highways guidelines, increased investor interest, and a better informed customer base are some recent developments that lend optimism to the segment.

The government targets to increase the share of gas in the energy basket. On the consumer front, there has been an increase in awareness and demand for cleaner fuels. At present, 31 CGD companies are developing CGD networks in 81 Geographical Areas (GAs) in 21 State(s)/UTs, which are supplying clean cooking fuel in the form of PNG to about 40 Lakh households in the country. Further the Government of India and the PNGRB have envisaged to expand the coverage of CGD networks across the country in synchronisation with the gas availability and pipeline connectivity.

#### Policy Initiative:

(Source: MoPNG/NITI AAYOG)

The Government of India has taken following key policy initiatives for expeditious development of CGD sector and transform India to a gas based economy:

- i. Accorded the highest priority in gas allocation while allocating 100% domestic gas for the domestic PNG and CNG segments.
- ii. CGD footprint expansion - Mission PNG, Smart Cities, Green Corridors Development of CGD network in over 326 Cities / Geographical Areas by 2022 (NITI AAYOG).
- iii. On the regulatory front, recently, the PNGRB has reformed the CGD authorization regulations to address the impediments encountered during previous bid rounds to a large extent. These reforms in CGD bidding regulations are forward looking, investor friendly as well as will protect the long-term interests of the end-consumers.
- iv. Additionally, some State governments have also started taking cognizance of need of expeditious development of CGD networks and are expected to facilitate CGD network development and have introduced sector-specific policies/guidelines enabling overall growth of CGD sector in India.

#### Outlook

Overall, India's CGD sector is well poised to grow strongly backed by forward looking regulatory environment and favourable policy frameworks & guidelines. The long term prospect of CGD business looks promising owing to the following factors:

- The rise in demand of natural gas due to increased awareness about pollution and commitment of Government of India at United Nations Climate Change Conference 2015.

- Continuous rise in population and strong growth in urbanisation, well-formulated policy framework and guidelines in terms of CGD footprint expansion, smart cities, green corridors etc.
- Forward looking regulatory environment with CGD sector and investor friendly policy reforms, encouraging growth in multiple regions of the country.

#### CGD Bidding

(Source: Ministry of Petroleum and Natural Gas)

As per statistics presented by the PNGRB, the recently concluded 09th round of auction of CGD licenses is set to alter the industry landscape with the expected investments of about ₹70,000 crore from winning bidders. Once CGD infrastructure matures in the GAs offered in this bidding round, expectations are, it will transform India's CGD map, as India shall have CGD coverage in nearly 50% of the total 640 districts in the country and of about 50% (61 Crore) of the population of the country.

supplying clean cooking fuel in the form of PNG  
~40 Lakh households in the country

#### Company Overview

##### About the Company

Mahanagar Gas Limited (MGL) which is serving the city of Mumbai and its surrounding areas, is one of the first CGD companies in India. Established in the year 1995, the Company has 223 CNG filling stations (as on March 31, 2018) with compression capacity of 3.1 million kg/day, thus providing the gas to circa 0.61 million vehicles. It also supplies PNG to more than 0.95 million domestic customers, 3537 commercial and 67 industrial customers through a connected pipeline network of over 5042 km including 427 km of steel and 4615 km of polyethylene pipeline.

# 3.1

Average compression capacity per day  
( in million kg)

## Key Strengths

**Sizeable Infrastructural Network:** Over a period of 22 years, the Company has built a strong infrastructural network in Mumbai and its adjoining areas and have infrastructure exclusivity to lay, build and develop City Gas Distribution network in Mumbai, Thane Urban & adjoining Municipalities and Raigarh districts for a period of 25 years ending in 2020, 2030, 2040, respectively. Additionally the regulations of the Petroleum & Natural Gas Regulatory Board (PNGRB), contain provisions for further extension of the period of infrastructure exclusivity in blocks of ten years at a time.

**First Mover Advantage:** MGL is well placed with domain expertise and capacity to have access to the most cost competitive priced gas. For any new entrant aiming to compete with MGL (Shipper), usage of MGL's distribution network would require them to pay an additional transportation tariff to MGL and thereby increasing its costs as compared to MGL.

**Sustained Growth in Volume:** The growth in sales volume of MGL's was at 5.1% CAGR for PNG and 5.5% CAGR for CNG between FY 2014 to FY 2018. It is expected to grow further at a steady rate.

## Key Business Highlights

In the financial year 2017-18, the Company has registered a growth of 5.14% YoY basis in terms of overall sales volume as compared to previous year. The growth can be attributed to growth in sales volume of CNG by 4.46% YoY basis. The Company also experienced growth in sales volume in other segments: the domestic sector grew by 10.68%, commercial sector grew by 5.39% and the industrial sector grew by 3.02%

During the year, the Company was able to connect more than 103750 domestic households to PNG thereby having a cumulative customer base of more than 0.95 million households. Additionally, the Company has added about 441 industrial and commercial



◆ MGL House at BKC, Mumbai

customers, totalling to a customer base of 3604 industrial and commercial units. The Company was also successful in supplementing its current CNG network of 203 stations with 20 more CNG stations and upgrade the capacity of about 14 stations, serving an estimated 0.61 million vehicles. The Company propelled its current compression capacity to about 30.80 lakhs kg/day by increasing the capacity by about 3.45 lakhs kgs/ day. The Company also expanded its network in Raigad by operating about 5 CNG stations and is planning to add about 3 stations in the coming quarters. It is also planning to extend its supply services across 5-6 towns like Pen, Ulwe and Karjat, etc. which are still underpenetrated, initially with the help of virtual pipeline network to serve domestic PNG consumers.

### Outlook

Along with implementation of expansion plans in Mumbai and its adjoining areas, the Company has also commenced its project activities of developing infrastructural network in the Raigad district. The Company plans to invest in the underpenetrated areas adjoining Mumbai which could lead to rapid growth due to urbanisation in suburban areas. MGL is also waiting for an approval from the safety regulator to start off with its plan to provide mobile gas dispensers. In the recently concluded 09th bidding round, MGL has submitted bids for GAs and is looking forward for capitalising on its expertise and competency acquired through CGD experience of over two decades through this and upcoming bidding rounds.

MGL plans to add about 50 CNG stations and connect 300,000 households while expanding its existing network of 427 km of steel pipeline and about 4615 km of polyethylene (PE) pipeline and 223 CNG stations within next two years.

## Financial Overview

### Revenue from Operations

During the FY 2018, the revenue from operations grew by 9.55% to ₹2,452.92 crore from ₹2,239.07 crore in the previous year. The growth in revenue was supported by a strong volume growth in overall sales volume by 5.14% over previous year with a growth in CNG volume by 4.46% and PNG volume by 7.08%.

### EBITDA and EBITDA Margin

During the financial year 2018, the operating EBITDA increased by 21.11% to ₹780.11 crore in comparison to ₹644.16 crore in FY 2017. Moreover, the EBITDA margin rose by 327 bps to 34.94% from 31.67% in the previous year.

### PAT and PAT Margin

The Company registered a robust growth in PAT by 21.46% to ₹477.87 crore in FY 2018 from ₹393.42 crore during FY 2017. The PAT margin grew to 19.48% in FY 2018 from 17.57% in FY 2017.





Our former Managing Director Mr. Rajeev Mathur interacting with Mr. D. K. Sarraf, Chairperson, PNGRB at Gastech Exhibition

## PBT

The Company registered a rise in profit before tax by 20.95% to ₹726.51 crore in FY 2018 from ₹600.66 crore in FY 2017 owing to a growth in sales volume and profit margins.

## EPS

The Company recorded earnings per share of ₹48.38 in FY 2018 as compared to ₹39.83 per share in FY 2017.

## Technology

### Information Technology

MGL continues to invest in technology to keep in pace with latest technology, as it is changing the face of trade and the way the Company interacts with its customers. The investment in technology has been spread in multiple areas of the Company's operations.

In the field of information technology, the Company has witnessed smooth operation of SAP R/3 ERP system as well as IT systems during the year. With the in-house data centre being collocated to a state of the art data centre, maximum uptime of IT Infrastructure, systems and services could be achieved without any loss-time of operation. Your Company could configure its SAP and other application system to make it GST ready within the desired time.

Major functional upgrades of SAP in finance and procurement were carried out entirely by in-house resources of the organization.

In an endeavour for a paperless office, SAP File Lifecycle Management has been rolled out for various departments and for these department all the approval notes are routed using the application. Continuing with the journey of mobility, your Company developed a robust android based attendance application for Third Party Engineers.

Your Company is one of the first entities in the city gas domain to embark on initiatives on cloud and have created a disaster recovery site for all its Non-ERP and mobility applications on Amazon cloud. Significant initiatives have also been taken in the area of cybersecurity and data privacy.

Your Company is also providing expert services to other City Gas Distribution entities to achieve their digitization goals.

In serving the customers, we have been using technology as an enabler. MGL's CRM Department is now using a Cloud based e-mail platform which sends out an auto acknowledgement to customers informing that their email has been received.

The Back-Office activities of the CRM Department were smoothly outsourced to vendor premises and the real time dash board of e-mail traffic is available to the CRM officers for monitoring purpose.

A Solution integrated with SAP is currently under development to trigger a SMS notification to customers informing logging of their request and conveying docket number in the first phase.

A behavior analytic software highlighting change in pitch & voice modulation of the Customer Service Executives (CSE) is also being reviewed and evaluated for deployment at the call center. This would help in better monitoring of the call quality and enhance customer satisfaction.

Moving closer to Customer Delight, MGL CRM is rolling out a system of Redressal on Wheels (ROW) wherein the Company would proactively go out towards the customer and a four-wheeler would be stationed in different parts of our operational areas to address customer concerns.

In operational front, the Company has successfully sustained and enhanced its SCADA system across all the four City Gate Stations, 203 CNG stations and 2 Sectionalizing Valves (SV). The Company has its plans in place and is further working towards taking all CNG stations and additional SVs under the ambit of SCADA.

To strengthen the safety of operations and provide improved services to consumers in a more efficient manner, the Company has successfully implemented and experienced the benefits of a Data logger monitoring system at 30 District Regulating Stations (DRS). Going forward, the Company plans to cover an additional number of 26 DRSs. The Company is in the process of implementing LoRA-based Automated Meter Reading (AMR) system for 5000 domestic customers in our operational areas, on a trial basis.

As part of new initiatives, usage of Multi-Layered Composite (MLC) pipes as an alternative to copper tubes inside the premises of domestic customer has been implanted on a trial basis. This will improve the safety and productivity of operations inside the premises of domestic customer.

PE Pipes embedded with copper wire has been laid in the operational areas of GA-III (Raigad) to facilitate their traceability.

Your Company has successfully carried out the design of PNG riser and lateral system in high-rise building with height more than 120 meters. Furthermore, efforts are being made to explore possibilities for supplying PNG safely to buildings having glass facades.

To upgrade the branding image of MGL and give a newer and better look to CNG outlets for night view, a demonstrative model has been executed at one of the CNG stations at Deonar in Mumbai.

152 Industrial and commercial customers (with regulating skid) have been provided with remote reading system (AMR). Further diaphragm meters for commercial customers are planned for replacement with SMART meters (remote acquisition of meter reading).

To automate the process of daily CNG progress report preparation at daughter booster stations, an in-house CNG mobile app has been developed. On the consumer front, to enhance awareness on various voluntary modes of providing meter reading, new initiatives were undertaken. These include advertisements in reputed newspapers and prominent displays of posters on buildings having domestic PNG consumers. Efforts were continued to further



◆ Emergency Van

enhance domestic meter reading accuracy and efficiency. Various improvements to domestic meter reading, using android software are under implementation, which would help meter readers capture details with greater ease and accuracy as well as provide value-added inputs.

Going forward, your Company is 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.

Users' specific tools are also being developed in 'myWorld' application, which is a type of GIS(Geographical Information System) solution focused on "on the move" usage. The pipeline network laid or being laid will be mapped in GIS on an ongoing basis, contributing to monitoring and maintaining the pipeline network more proficiently.

Enhancements are being undertaken in GIS incorporating some user specific functions & features such as Outage manager and Profile viewer. Network mapping, Data updation & accuracy improvement activities are being carried out on an ongoing basis so as to enhance the reliability of the system.

A simple application using Google maps has been introduced to indicate ongoing third-party activities around our pipeline network. It is also being further explored to develop such a feature in the GIS so as to have a robust system in place.

Your Company has purchased Gas detection Camera (FLIR) for gas leak surveys. This camera has been certified as Intrinsically Safe. It is specifically tuned to visualize emissions that are impossible to see with the human eye.

Fatigue sensor is installed in all CNG cascade transport vehicles after successful trial. It has illuminated camera which is equipped with intelligent video software. The inbuilt video analytics are self-configuring. They are able to track the driver's eyelids and pupil dilation and will give real time alarm when driver fatigue is detected.

MGL has successfully completed trial of high capacity composite cylinder Type-3 cascade for CNG transport vehicles. MGL has completed process of leasing of 2nos. Type-3 cascades for CNG transportation. These cascades will result in reducing cascade transportation risks by reducing number of trips by transportation of more CNG per trip. Further process of taking 6 more Type 3 cascades on lease for upcoming CNG stations is underway.

Your Company has embarked upon an initiative to issue SMS based e-tokens for filling up CNG in order to rationalize queues in the CNG Stations. The application will intelligently allot a filling slot based on the request of the CNG vehicle owner.

The above initiatives contribute to effective monitoring of the pipeline network of the Company.

## Project Monitoring

Corporate Project Monitoring Cell (CPMC) is always in an earnest endeavour to improve upon project monitoring. Web based module designed for capturing and display of performance of key milestones of all ongoing projects is further advanced to assist execution departments in figuring out the areas of concern. The system has also benefitted the Company in terms of improvement in accuracy and timely submission of requisite information to stakeholders and regulators.

Further to improve efficiency of existing project operations, new technology initiatives were also developed with the help of BIS department. These applications are currently in use by project and other related departments.

### These initiatives are as follows:

**Work at Height (WAH) – Permit to Work:** This system has helped in reducing time delay in issue of work at height permit and in turn helped in early start of work at site. This resulted in increase in productivity, enabled centralized record of all WAH permits and safety at site. The system also helps in tracking exact number of plumbing resources with contractor and in turn allows execution planning at site ([Resources Monitoring](#)).

**VIP Grievances resolution Module:** The system enables to keep track of all the grievances referred to by the VIP's logged at MD and TD's office. Log of communication and latest feedback on status of grievances can be viewed through system. This helped in quick resolution of grievances.

**File Life Cycle Management (pipeline commissioning tracker):** The system enables automation of new pipeline commissioning process through online system. This system helped in minimizing time delay required for physical movement of papers from one office to other for approvals. This tool also facilitates tracking and storage of commissioning reports of medium pressure pipelines network at one centralized location.

---

Fatigue sensor is installed in all CNG cascade transport vehicles after successful trial. It has illuminated camera which is equipped with intelligent video software. The inbuilt video analytics are self-configuring.

---

## Health, Safety, Security and Environment (HSS&E)

### Health and Safety

Several steps have been taken towards 'Occupational Safety' excellence and MGL has achieved more than 10 million '**Lost Time Incident free**' man hours.

The Company is in the business of supplying piped and compressed natural gas, which is environment friendly and safe. The Company adheres to high standards of Health, Safety, Security & Environment and believes that outstanding business performance requires outstanding HSS&E performance. The Company complies with all legal and statutory requirements applicable to its operations and aspires to attain recognized world-class performance.

MGL is accredited to OHSAS 18001:2007 for Occupational Health & Safety Management system and ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management Systems. The Company has been audited by certified third party agencies and found to be at parity with international requirements.

The Company's Senior Management conducts regular safety audits to ascertain that Health and Safety of the personnel as well as Company asset have been maintained as per national and international standards and working practices. The Company is committed to the Health and Safety of all its employees, the employees of its contractors, and any other stakeholder who may be affected by the Company's operations. MGL considers its

contractors as business partners and expects them to adhere to the Company's HSE standards. Coaching and assistance is provided to the business partners as and when required.

As a part of the Company's drive for continuous improvement in Safety, various initiatives have been undertaken to raise general awareness in the relevant community and operating environment. The initiatives include PNG Awareness Campaigns in residential societies and for commercial customers; MGL Emergency Management Systems awareness for local Fire Brigade offices; District Disaster Management Cells; CNG Awareness Campaigns at various auto stands and B.E.S.T. depots. The Company has initiated Site Specific Hazard Identification and Risk Assessment Methodology. Your Company has developed MGL Life Saving Rules animation video in Hindi and English Language to spread an awareness of Company's 16 Life Saving Rules to employees, contractor employees and stake holders.

Continuous improvement in compliance to MGL Life Saving Rules and implementation of Safety Technical Competency(STC) training policy - 'No STC No Work' and CNG filling policy - 'No Metal Plate No Gas' was initiated. MGL has introduced HSE Reward Program to identify front line workforce who contribute significantly to achieve HSE excellence at site.

The Company has implemented Online Action Tracking System to report safety incidents, monitor the recommendations and close the recommendations with evidences related to the incident in a methodical way. MGL has an Emergency Control Room with toll



● Laying of pipeline at Durgadi Creek

Free number 1800 22 99 44 which is available 24x7 and also the Company has a tie up with Emergency Ambulance Services across GA1, GA2 and GA3 areas for medical emergencies. Besides this 'Dial-before-Dig' continuous pipeline surveillance and the mapping of pipeline network on Geographical Information Systems (GIS) also contribute to safe working environment.

The Company expects all of its employees and contractors to report hazards, near miss and safety suggestion for preventing the incident and continual improvement of HSE performance at the Company installations and sites. These are then investigated and lessons learnt from these incidents are shared with all concerned. The Company also takes cognizance of the lessons learnt from other Oil and Gas companies across the world.

To further inculcate safe driving behaviors and tracking vehicles, the Company has successfully installed In-Vehicle Monitoring System (IVMS) / VTS (Vehicle Tracking Systems) in all CNG transport Vehicles and Emergency Vehicles. The Company analyzes the data generated from IVMS / VTS monitoring system and tracks the behavior of driver and violations of vehicles for continual improvement in the Road Transport Safety performance. It 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 Centre (MCC) / Emergency vehicles.

Your Company has conducted Road Transport Assessment audit by Cross Functional Team from SHELL for Road safety improvement.

The Company has a well-built Fire Management System in place which is in compliance with national standards. A competent fire-fighting 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.

MGL Emergency Response and Disaster Management Plan (ERDMP) has been successfully re-certified as per PNGRB ERDMP Regulations 2010 (GSR39). The Company has conducted series of mock drills at all installation like City Gate Stations, Project sites, CNG stations and offices as per the recommendations of PNGRB guidelines. A Major Mock drill with the involvement of Fire Brigade, Disaster Management Cell, Directorate of Industrial Safety and Health (DISH), Mutual Aid Response Group (MARG) members and Traffic police officials has been conducted to demonstrate MGL Emergency Response and Disaster Management Plan (ERDMP) and learn from the inputs of the participants for continual improvement.

## Security

Security management in the Company evolved as an independent support process to provide physical security assurance. The ever-changing business dynamics, continual maneuvering in socio-economic scenario and the swift business expansion of the Company

has led the security team to carry out thorough re-assessment to further reinforce & strengthen the Company's Security Management Processes. This was achieved through Security Risk Assessment focusing on protection of Company assets with enhanced focus on pipeline network. The Company has responded positively to changing security challenges by evolving and adopting effective security mechanisms and programs into its overall business operations.

Security process of the Company is continuously put to test through feedback from internal customers followed by review of security processes. These reviews include risk and vulnerability assessments, threat appreciation, access control mechanism, security awareness training, and incident management drills and exercises.

Security surveillance assurance process was further augmented during the year by expanding CCTV coverage to all Company owned CNG Retail Outlets. The state-of-the-art Security Control Room is functional 24x7 and has the capability of continuously monitoring all CCTV cameras, IVMS system, Mobile Patrolmen Tracking System and monitoring head count in all major locations. To strengthen Access Control System in the Company the operation of Visitor Management System was expanded to two other Company offices. During the year, the security function was brought under the umbrella of ISO: 9000:2015 after thorough internal assessment by the internal auditors followed by external auditors from DNV.

'Vigilance Mechanism' of the Company was approved and implemented to deal with matters related to fraud and unethical practices.

The goal of Security Management System in MGL is to achieve effective and optimum security performance. The key emphasis of the Security Management System is to provide uniform security standards across the Company and to make the security practices more proactive.



Mock Drill



◆ Swachhta Pakhwada

## Environment

The focus on environment is core area of emphasis for the Company. In addition to the process and procedures, the Company adheres to the requirements of ISO 14001:2015 accreditation. In addition, every year, MGL celebrates World Environment Day, wherein the employees work towards protecting the environment and promote the benefits of natural gas to improve the environment through public awareness campaigns. As per this year's theme of World Environment Day - 'Beat Plastic Pollution', the Company has conducted awareness sessions by officials of MCGM and India Center for Plastics in the Environment (ICPE).

The Company successfully implemented EMS standard of ISO 14001:2015. The Company has developed animated videos on Energy Conservation Tips and are available on the Company website and social media webpage like Facebook. Furthermore, the Company has initiated many more online applications like Online Permit System, Life Saving Rules Audit Module for the processes to conserve the environment by minimizing paper use.

## Risk Management and Internal Control System

MGL has put in place adequate Internal Financial controls commensurate with its size and nature of business, in conformance to Companies Act and other applicable statutes. The internal controls

are periodically reviewed to have continuous assurance on the adequacy and effectiveness of controls by an external expert agency.

Similarly, the Internal Audit activity is performed by a competent external professional firm, covering major business operations, which ensures the effectiveness of existing processes, controls and compliances. The findings drawn from the audits are fully examined and corrective measures are implemented.

Internal audit reports along with management comments and action plans on recommendations are presented to Audit Committee. This ensures that the findings emanating from the audits are effectively acted upon, thereby adding value to the system. Functioning of the external expert firm engaged for internal auditing is overseen and facilitated by in-house dedicated personnel.

Risk Management and managing risk forms an essential part of the overall management of MGL. An assessment is made by Business Risk Review Committee of the potential for the risk probability. Thereafter, the risk is categorized and then assessment of consequence is made score having the highest impact. The Risk is identified as inherent risk without any mitigation plan and again assessment is made of the mitigation plan and controls and based on assessment, risk assessed is identified as Residual risks. These risks are reviewed by the Business Risk Review Committee and then report is placed before the Audit Committee and Board of Directors of the Company.

## Corporate Social Responsibility

Mahanagar Gas Limited has identified Corporate Social Responsibility (CSR) as a strategic tool for sustainable growth. Being a responsible corporate citizen, MGL has been continuously contributing in social investments primarily in the areas of Education, Skills Development,

Health and Sanitation, Women Empowerment and Environment protection to create a shared value.

Under 'Naal Paani Yojana', MGL has facilitated access to safe drinking water in 3 tribal hamlets. In addition, MGL is currently undertaking projects under Naal Paani Yojana to facilitate access to safe drinking water to 2 more tribal hamlets.



Safe Drinking Water Facility installed in Village Mendhyachapada under Naal Paani Yojana.



Balwadi kids practicing Yoga - International Yoga Day

MGL has supported operation of 8 balwadis in Parbhani and Jalna Districts of Maharashtra. The balwadis support pre-primary education of more than 400 children of sex workers in the district. These kids represent one of the most vulnerable group as they face exclusions which deprives them from having a normal growth trajectory. These children particularly at an early stage start developing a tough exterior for the lack of inclusion and grooming thereby killing the innocence of kids. Through balwadi intervention, MGL seeks to groom the children at an early age for their further development.

'MGL Unnati', is an intervention designed with the objective to promote vertical socio-economic mobility through education. The project envisages coaching and mentoring of meritorious children from economically fragile background; who have the talent but not the means to compete for admission in premier technical

institutes. With the aim to remove barriers of access to higher education, the project seeks to bring about a radical change in the lives of individuals. During the year, 29 out of the 30 students of MGL Unnati qualified in JEE Mains.



◆ MGL Unnati – Students gearing up for JEE



◆ MGL's Mini Science Center in a school in Dharavi

Mahanagar Gas Limited has facilitated installation of Mini Science Centers in 2 schools. These center aim at enhancing learning outcomes in science. MGL has extended support of computer instructor for operationalization of computer laboratories installed in 2 MCGM School.

Mahanagar Gas Limited has facilitated construction of classroom block in ZP School, Nagaon. The school had reported dearth of classrooms. In addition to the classroom block, MGL has also facilitated construction of toilet block in the school. Separate block for girls and boys and for alternately abled individuals were constructed by Mahanagar Gas Limited.

In lines with 'Swachh Bharat Abhiyan', Mahanagar Gas Limited has also facilitated construction of toilet blocks in RZP School, Chowk and Children's Aid Society, Mankhurd. Mahanagar Gas Limited has also facilitated installation of 2 mobile toilets in Uran Municipal region.



Mobile Medical Van donated by Mahanagar Gas Limited

MGL has also supported an organization with a mobile medical van. The mobile medical van is expected to reach out to the slum dwellers of Mumbai and support them in their quest for better health.

MGL is also supporting an initiative for educational empowerment of 10000 youths in their adolescence. The project is being rolled out in 30 schools in the suburbs of Mumbai. The project includes component for improved learning level outcomes in STEM subjects, infrastructural support to schools, scholarships, group counselling and individual counselling to vulnerable and disturbed students.



School Classroom Block constructed at Nagaon



Counselling of parents of vulnerable students – MGL Saksham

MGL has supported setting up of infrastructure in pre-primary sections in a municipal school in Mumbai.

'MGL Hunar' is an intervention in line with Kaushal Bharat, for imparting training on employment-oriented trades to youths from

underprivileged background with the objective of bridging the gap between industry's demand for skilled man power on one hand and the great number of youths seeking jobs on the other hand. MGL is supporting a vocational training centre for training of youths in the trades of Welding, Gas Plumbing, Electrician and RAC mechanic.



◆ MGL Hunar training



◆ Slum Dwellers benefitting from Health camps organized under MGL Disha

Under project 'MGL Disha', MGL has been operating study classes for nearly 120 children of slums of Kurla-Ghatkopar region of Mumbai. Most of these children belong to families from fragile economic background and first-generation learners. Apart from the study classes, MGL is also conducting regular health camps and is training women in trades of beautician and tailoring for income generation activities. MGL is also supporting formation of 10 new Self Help Groups to inculcate a habit of thrift and credit.



◆ Students of slum community getting exposure to computers and IT.

MGL has been supporting slum community in Turbhe in their quest for seeking better prospects for future generations by adopting a community center for various developmental initiatives. The initiatives include operating balwadi for toddlers which is an assurance to both the working parents about the positive engagement and development of their children. Support education classes, computer classes, personality development initiatives apart from nutritional support are also conducted. General and targeted health camps are conducted on regular basis. MGL also mentored children from slum communities through sports to evolve positive attitude and sensitize them against the negative social practices like gender discrepancy, substance abuse, drug addiction, etc.

Under 'MGL Aarogya', MGL has facilitated health check-up of more than 1250 auto rickshaw drivers and taxi drivers in the area of its operations.

# Directors' Report

## Dear Members,

Your Company's Directors hereby present the Twenty Third Annual Report of Mahanagar Gas Limited (the Company or MGL) along with the Audited Financial Statements for the Financial Year ended March 31, 2018.

## 1) Financial Performance

Your Company registered a turnover of ₹2,453 Crores during the financial year 2017-18. The Profit after Tax is ₹478 Crores for the financial year 2017-18 as compared to ₹394 Crores for the financial year 2016-17.

The Company's financial performance for the year ended March 31, 2018 is summarised below:

(₹ in Crores)

Sr. No.	Particulars	As on March 31, 2018	As on March 31, 2017
a.	Revenue from operations	2,453	2,239
b.	Other Income	58	53
c.	Profit before Depreciation and Finance cost	838	697
d.	Depreciation and Amortisation Expenses	111	95
e.	Finance cost	-	1
f.	Profit before Tax (PBT)[c-d-e]	727	601
g.	Income Tax	249	207
h.	Profit after Tax (PAT)[f-g]	478	394
i.	Other Comprehensive Income	1	(-1)
j.	Total Comprehensive Income [h+i]	479	393
k.	Balance of Profit for earlier years	1,741	1,631
l.	Adjustment on conversion of 9% Unsecured Compulsorily Convertible Debentures into Equity Shares	-	(1)
m.	Balance Available for appropriation (j+k-l)	2,220	2,023
	Appropriations:		
n.	Dividend Paid		
	Final -FY 2015-16	-	156
	Interim- FY 2016-17	-	78
	Final-FY 2016-17	107	-
	Interim - FY 2017-18	79	-
o.	Tax on Dividend	38	48
p.	Total Appropriations (n+o)	224	282
q.	Balance of profit carried in Balance Sheet[m-p]	1,996	1,741
	Earning Per Share (Face value of ₹10.00 each) - Basic and Diluted (₹)	48.38	39.83

## 2) Dividend

Based on the Company's performance, the Directors are pleased to recommend for the approval of the Shareholder a final dividend of ₹11.00 per share on the equity share capital of the Company for the year ended March 31, 2018.

The Board of Directors, in its meeting held on February 09, 2018, declared an interim dividend of ₹8.00 per equity share for the financial year 2017-18 and the same has been paid to all the eligible shareholders as on record date February 21, 2018.

The total dividend for the financial year ended March 31, 2018, would accordingly be ₹19.00 per equity share (normal dividend of ₹12.50 and special dividend of ₹6.50) of face value of ₹10.00 each.



◆ Presentation of dividend cheque to GAIL (India) Limited.

## 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 Annual Report.

Return on Capital Employed has increased from 21.97% in FY 2016-17 to 24.31% in FY 2017-18 signifying sound return on investment.

## 4) Change in Share Capital

There is no change in the Authorised and Paid up Share Capital of the Company during the year.

## 5) Change in Promoter Shareholding

The stake of BG Asia Pacific Holdings Pte Limited (one of the promoter of the Company) reduced to 24% pursuant to sale of shares by them in the month of April, 2018.



◆ Presentation of dividend cheque to Government of Maharashtra.

## 6) Number of Meetings of the Board

Six meetings of the Board of Directors were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of Annual report.

Details of meetings of the Board and its Committees along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report.

The intervening gap between the meetings was in compliance with the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

## 7) Statement on Declaration of Independence

All the Independent Directors of the Company have provided their declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.



◆ Presentation of dividend cheque to Shell.

## 8) Reporting of Frauds by Auditors to the Company

During the year, there has been no reporting of any frauds by the Auditors to the Audit Committee or the Board as per Section 143(12) of the Act.

## 9) Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements

The Directors confirm having laid down Internal Financial Controls and that such Internal Financial Controls are adequate and were operating effectively.

## 10) Directors Responsibility Statement

Pursuant to the provisions of Sections 134 (3) (c) and 134 (5) of the Act, the Directors, to the best of their knowledge and ability, 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) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 11) Listing of Shares

Equity Shares of your Company are continued to be listed at both the BSE Limited and National Stock Exchange of India Limited. Your Company has paid listing fees for FY 2018-19.

The international Security Identification Number is (ISIN) INE002S01010. The details of share trading price have been provided under Corporate Governance Report which forms part of Annual Report. Your Company has complied with all SEBI, LODR Regulations.

## 12) Directors and Key Managerial Personnel

### A. Appointments

During the year under review, Mr. Virendra Nath Datt has been nominated by GAIL (India) Limited as its Nominee on the Board of your Company in place of Dr. Ashutosh Karnatak. Accordingly, the Board of Directors in its meeting held on May 26, 2017 approved appointment of Mr. Virendra Nath Datt as Additional Director with effect from May 28, 2017 and appointment of Mr. Virendra Nath Datt was approved by shareholders in the Twenty Second Annual General Meeting held on September 25, 2017.

Further, Mr. Sunil Porwal, Additional Chief Secretary (Industries) has been nominated by Government of Maharashtra as its Nominee on the Board of your Company in place of Mr. Apurva Chandra. Accordingly, the Board of Directors in its meeting held on May 26, 2017 approved appointment of Mr. Sunil Porwal and the appointment of Mr. Sunil Porwal was approved by shareholders in the Twenty Second Annual General Meeting held on September 25, 2017.

Mr. Akhil Mehrotra, Director on the Board of the Company was appointed as the Chairman of the Company for a tenure of two years with effect from May 28, 2017.

The term of office of Mr. Raj Kishore Tewari, as an Independent Director, expired on March 04, 2018. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Raj Kishore Tewari, as an Independent Director of the Company for a second term commencing from March 05, 2018 upto March 31, 2021, subject to approval of the Members. Business with respect to his re-appointment is one of the agenda of the ensuing Twenty-third Annual General Meeting of the Company.

Further, Mr. Premesh Kumar Jain was appointed as the Additional Director (Independent Category) for a period commencing from April 9, 2018 till March 31, 2021 subject to the approval of the Members. Business with respect to his appointment is one of the agendas of the ensuing Twenty-third Annual General Meeting of the Company.

Pursuant to the provisions of Section 149 of the Act, Mr. Arun Balakrishnan, Mr. Santosh Kumar, Mr. Raj Kishore Tewari, Mrs. Radhika Harhibhakti and Mr. Premesh Kumar Jain are Independent Directors of the Company. There has been no change in the circumstances affecting their status as an Independent Director during the year.

Mr. Satish Gavai, Additional Chief Secretary (Industries) has been nominated by Government of Maharashtra as its Nominee on the Board of your Company in place of Mr. Sunil Porwal. Accordingly, the Board of Directors in its meeting held on July 31, 2018 approved appointment of Mr. Satish Gavai as an Additional Director with effect from July 31, 2018 and shall hold office upto the date of the ensuing General Meeting.

Brief profiles of the directors proposed to be appointed/re-appointed are annexed to the Notice convening Annual General Meeting forming part of this Annual Report. The aforesaid appointments were based on the recommendation of the Nomination and Remuneration Committee of the Board ("NRC").

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

## **B. Cessation of Directors (other than KMP)**

Due to expiry of tenure, Dr. Ashutosh Karnatak resigned from the position of Chairman and Director from the Board of the Company with effect from May 27, 2017. Further, Mr. Apurva Chandra resigned from the Board of the Company with effect from May 23, 2017.

Mr. Sunil Porwal, Director has resigned from the position of Director with effect from July 31, 2018 owing to his transfer to another department by Government of Maharashtra.

Further, due to expiry of tenure, Mr. Jainendar Kumar Jain has ceased to act as Director on the Board of the Company with effect from March 04, 2018.

The Board places on record its deep appreciation and gratitude for the substantial contribution and valuable advice offered by them during their tenure as the Directors of the Company.

## **C. Key Managerial Personnel ("KMP")**

BG Asia Pacific Holdings Pte. Ltd has nominated Mr. Goutam Ghosh as a Whole-time Director designated as Technical Director of your Company in line with Articles

of Association of the Company and pursuant to the provisions of the Nomination and Remuneration Policy of the Company with effect from November 20, 2017 on non-retiring basis subject to the approval of Members. Mr. Ghosh is also appointed as one of the KMP of the Company. Business with respect to his appointment is one of the agendas of the ensuing Twenty-third Annual General Meeting of the Company.

Mr. Sanjib Datta was nominated by GAIL (India) Limited as a Managing Director on the Board of the Company, Accordingly, Mr. Sanjib Datta was appointed as the Additional Director and Managing Director of your Company in line with Articles of Association of the Company and pursuant with the provisions of the Nomination Policy of the Company with effect from May 30, 2018 on non-retiring basis subject to the approval of Members. Mr. Datta is also appointed as one of the KMP of the Company. Business with respect to his appointment is one of the agendas of the ensuing Twenty-third Annual General Meeting of the Company.

Further, the following KMP of the Company resigned from their post during the year under review and between the end of FY 2017-18 and the date of this report:-

Ms. Susmita Sengupta resigned from the post of Whole-Time Director designated as Technical Director with effect from November 06, 2017, thus ceasing to be one of the KMP of the Company. The Board places on record its deep appreciation and gratitude for the valuable contribution and advice offered by Ms. Sengupta during her tenure as the Technical Director of the Company.

Mr. Rajeev Kumar Mathur, was re-appointed as Managing Director of the Company with effect from September 29, 2017 on being re-nominated by GAIL (India) Limited (GAIL). Later, Mr. Rajeev Kumar Mathur resigned from the post of Managing Director of the Company with effect from, May 30, 2018 owing to withdrawal of his nomination by GAIL and repatriation to GAIL Head Office, thus ceasing to be one of the KMP of the Company. The Board places on record its deep appreciation and gratitude for the substantial contribution and valuable advice offered by Mr. Mathur during his tenure as the Managing Director of the Company. However, business with respect to approval of terms of his re-appointment, period and remuneration from September 29, 2017 till May 30, 2018 is one of the agendas of the ensuing Twenty-third Annual General Meeting of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on date are:

Mr. Sanjib Datta, Managing Director, Mr. Goutam Ghosh, Whole-Time Director designated as Technical Director, Mr. Sunil Ranade, Chief Financial Officer and Mr. Alok Mishra, Company Secretary & Compliance officer.

#### D. Retirement By Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Virendra Nath Datt - Non-executive Director of the Company, is due to retire by rotation at the ensuing Twenty-third Annual General Meeting and being eligible, has offered himself for re-appointment. Business with respect to his re-appointment is one of the agenda of the ensuing Twenty-third Annual General Meeting of the Company.

### 13) Board Evaluation

Pursuant to the provisions of the Companies Act 2013 and the SEBI Listing Regulations, the Board has to evaluate its own performance and that of its Committees and Individual directors ("Evaluation").

To enable such evaluation, an evaluation framework has been adopted by the Company, which is formulated with a view to provide a more regulated approach for the evaluation and which lays down overall guidelines and processes to be adopted for the evaluation of performance. The NRC and Board have approved the Evaluation Framework.

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Directors and the Committees of the Board. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Individual Directors, the Board as a whole and its Committees with the Company. Performance evaluation criteria for Independent Directors have been disclosed as a part of the Corporate Governance Report.

### 14) Statutory Auditors & Auditors Report

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/E-300003), were appointed as statutory auditors from the conclusion of the twenty-second Annual General Meeting (AGM) held on September 25, 2017 till the conclusion of the twenty-seventh AGM of the Company in 2022, subject to the ratification of their appointment at every AGM, as applicable. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM.

There has been no qualification, reservation or adverse remark given by the Statutory Auditors in their Report for the year under review.

### 15) Secretarial Auditor

M/s. Mehta & Mehta, Practicing Company Secretaries were appointed as Secretarial Auditor of the Company, to conduct Secretarial Audit for the year under review, pursuant to the provisions of Section 204 of the Act.

The Secretarial Audit report does not contain any qualification, reservations or adverse remark. The Secretarial Audit Report given by the Secretarial Auditor of the Company is annexed as **Annexure I** to this report.

### 16) Cost Auditor

Your Company makes and maintains cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013. 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, 2017. The Cost Audit Report was filed by the Cost Auditors on September 07, 2017 within the due date. In respect of the Financial Year ended on March 31, 2018, M/s. Dhananjay V. Joshi & Associates, Cost Auditors, were re-appointed. The due date for filing the Cost Audit Report is September 27, 2018 (within 180 days from the end of financial year).

### 17) Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status operations of your Company in future.

### 18) Material Changes Affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

### 19) Statement on Compliances of Applicable Secretarial Standards

Your Directors hereby confirm that during the year, the Company has been compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 20) Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188 of the Act in the Prescribed Form

Pursuant to the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, the Company has entered into related party transactions.

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3) (h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, has been provided as an **Annexure II** of the Directors' Report.

All Related Party Transactions entered into during the year under review were approved by the Audit Committee and Board, from time to time as per the applicable provisions of the Act and the SEBI Listing Regulations.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com).

## 21) Corporate Governance

Your Company is committed to follow the best practices of Corporate Governance, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same, from time to time.

The report on Corporate Governance as stipulated under the Listing Regulations forms a vital part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## 22) Business Responsibility Report

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance outlook is attached as a part of the Annual Report.

## 23) Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management's Discussion and Analysis is set out in this Annual Report.

## 24) Vigil Mechanism and Whistle Blower Policy

The Board has adopted a Policy, thereby enumerating the Vigil Mechanism, for Directors and Employees of your Company, to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct of the Company and to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal. In order to provide a conducive, open and accountable place of work to its employees, the Board has formulated Whistle Blower Policy to provide a forum to the employees for timely reporting of serious concerns with any aspect of Company's work. Adequate safeguards are provided against victimization to those who avail of the mechanism and under the policy and direct access to the Chairperson of the Audit Committee is provided to them. The Vigil Mechanism and Whistle Blower Policy are also available on the website of the Company i.e. [www.mahanagargas.com/investors/Policies.aspx](http://www.mahanagargas.com/investors/Policies.aspx).

## 25) Dividend Distribution Policy

The Company has, in compliance with SEBI Listing Regulations, formulated a Dividend Distribution Policy. Objective of this policy is to provide the dividend distribution framework to the Stakeholders of the Company and it sets out various internal and external factors which shall be considered by the Board in determining the dividend payout.

The policy is annexed as **Annexure III** to this report and is also available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com).

## 26) Audit Committee

The details pertaining to the composition of the Audit Committee along with dates of meetings, attendance and Terms of Reference has been disclosed in the Corporate Governance Report, which is a part of the Annual Report.

## 27) Nomination and Remuneration Committee

The Company's policy on directors' appointment and remuneration along with dates of meetings, attendance, Terms of Reference and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of Annual Report. [https://www.mahanagargas.com/UploadedFiles/\\_MGL-Nomination\\_and\\_Remuneration\\_Policy\\_329e2e5b7e.pdf](https://www.mahanagargas.com/UploadedFiles/_MGL-Nomination_and_Remuneration_Policy_329e2e5b7e.pdf)

## 28) Stakeholders Relationship Committee

The purpose of Stakeholders Relationship Committee is to consider and resolve the grievances of security holders. The Terms of reference has been disclosed in the Corporate Governance Report, which is a part of the Annual Report.

## 29) Corporate Social Responsibility

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a CSR Policy signifying the activities to be undertaken by the Company, which has been approved by the Board.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014. For other details regarding CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on <https://mahanagargas.com/investors/Policies.aspx>

In accordance with the vision of the Company, its CSR initiatives focuses towards environment protection, education development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct and social initiatives.

## 30) Disclosures as per the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed towards providing a work environment that is professional and mature, free from enmity and one that reinforces our value of integrity that includes respect for the individual. Pursuant to the same, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The members of this committee comprises of representatives from the Company and external experts/NGOs.

During the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, 2 (two) separate complaints addressed to the Grievance Handling Officer were forwarded to ICC. The ICC, after hearing both the complainants and respondent, concluded that the complaint was a case of office grievance and not a complaint of Sexual harassment.

## 31) Extract of Annual Return

As per the requirements of Section 92(3) of the Act, the extract of the annual return is given in **Annexure V** in the prescribed Form No. MGT-9, which is a part of the Annual Report.

## 32) Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees with regard to the ratio of remuneration of each director to the median of employees remuneration as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure VI** to the Annual Report.

There are no employees drawing remuneration of Rupees One Crore and Two Lakhs or more, or posted for part of the year and in receipt of Rupees Eight Lakhs and Fifty Thousand or more a month under the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("said rules").

## 33) Deposits

During the year under review, the Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2018, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon during the year.

## 34) Awards and Recognitions

Your Company has been a proud recipient of the following Awards and Recognitions during the year under review:

- I. Won the Golden Globe Tigers Award 2017 under the category of Support and improvement in Quality of Education.
- II. Won the CSR Leadership Summit & Awards under the category of Best CSR practices for Children Welfare.
- III. Won the National CSR Leadership Congress & Awards under the category of Best CSR Impact Initiatives (World CSR Day) 2017.
- IV. Won the Middle East CSR Leadership Awards 2017 for Support and Improvement In Quality of Education.
- V. Won the Social Change Award under the category of Animal Welfare.
- VI. Won the Innov Award 2017 for outstanding achievement in CSR.

### 35) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company determinedly makes all efforts to conserve energy across all its operations. Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is given in **Annexure VII** to this Report.

### 36) Acknowledgement

The Board of Directors wishes to place on record their deep sense of gratitude 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 wishes to especially thank and acknowledge the valuable guidance and support received from time to time from its Stakeholders - GAIL (India) Limited, Shell Group and GOM for their support. The Board of Directors expresses their deep appreciation for the commitment and dedication put in by every employee of the Company resulting in excellent results and achievement of your Company.

For and on behalf of the Board of Directors



**(Akhil Mehrotra)**

Chairman

Place : Mumbai

Date : July 31, 2018

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**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 adherence to good corporate practices by Mahanagar Gas Limited (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.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, 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 March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2018, according to the provisions of:

- (I) The Companies Act, 2013 ('the Act') and the rules made there under;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (III) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company);
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the year under review not applicable to the Company);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

(VI) Petroleum and Natural Gas Regulatory Board Act, 2006;

(VII) Gas Cylinder Rules, 2004;

(VIII) The Electricity Act and rules and regulations made thereunder;

(IX) Maharashtra Fire Prevention & Life Safety Measure Act, 2006;

(X) The Environment Protection Act, 1986;

(XI) Air (Prevention and Control of Pollution) Act, 1981;

(XII) Water (Prevention and Control of Pollution) Act, 1974;

(XIII) Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008;

(XIV) The Legal Metrology Act, 2009.

We have examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India for the period from 1st April 2017 to 30th September, 2017 and Revised Secretarial Standards for the period from 1st October, 2017 to 31st March, 2018;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the 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 Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days 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.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Board recommended a final dividend of ₹11/- per share of face value ₹10/- each for the financial year 2016-17 at its meeting held on May 26, 2017 and the same was approved by the shareholders in the 22nd Annual General Meeting of the Company held on September 25, 2017. The Board declared an interim dividend of ₹8/- per share of face value ₹10/- each for the financial year 2017-18 at its meeting held on February 9, 2018.

**For Mehta & Mehta,**

Company Secretaries  
(ICSI Unique Code P1996MH007500)

Sd/-

**Dipti Mehta**

Partner

FCS No : 3667

CP No. : 3202

Place : Mumbai

Date : May 21, 2018

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## Annexure A

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

Our report of even date is to be read along with this letter.

1. 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.
2. 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 for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

**For Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

Sd/-  
**Dipti Mehta**  
Partner

FCS No : 3667  
CP No. : 3202

Place : Mumbai  
Date : May 21, 2018

## Annexure-II

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: Mahanagar Gas Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY18.**

- Name(s) of the related party and nature of relationship: Not Applicable
- Nature of contracts/arrangements/transactions: Not Applicable
- Duration of the contracts / arrangements/transactions: Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- Justification for entering into such contracts or arrangements or transactions: Not Applicable
- Date(s) of approval by the Board: Not Applicable
- Amount paid as advances, if any: Not Applicable
- Date on which the special resolution was passed in general meeting as required under first provision to Section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis: Mahanagar Gas Limited (the Company) has entered into material contract / arrangement / transaction with its related parties which are in ordinary course of business or at arm's length during FY18. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.**

**(a) Name(s) of the related party and nature of relationship:**

- GAIL (India) Limited, (GAIL), Promoter\*
- BG India Energy Solutions Private Limited, (BGIESPL), Promoter Group Entity
- Hazira LNG Private Limited, (HLPL), Promoter Group Entity
- Shell India Markets Private Limited, (SIMPL), Promoter Group Entity
- Shell Energy Marketing and Trading India Private Limited, (SEMTIPL), Promoter Group Entity

\*During the year the Company has purchased Natural Gas from GAIL amounting to ₹1,02,230.45 lakhs

**(b) Nature of contracts/arrangements/transactions:**

- APM Agreement (Administered Price Mechanism) Nature: Long Term Gas Sales and Transportation Contract

- PMT Agreement (Panna Mukta Tapti Fields) Nature: Long Term Gas Sales and Transportation Contract
- Non- APM (for CNG Transport & PNG Domestic Segment) Term Sheet Nature: Term Sheet
- SPOT RLNG Contracts (Spot Gas Sale Agreement) Nature: Short Term Spot Gas Sales Agreement
- Gas Transmission Agreement Nature: GTA dated January 02, 2008
- HLPL: Nature: Framework Gas Sale Agreement on RE basis
- BG India Energy Solutions Private Limited: Nature: Supply Framework Agreement on RE basis
- SEMTIPL: Nature: Framework Gas Sale Agreement (FGSA) on RE basis.

**(c) Duration of the contracts/arrangements/transactions**

- Duration: June 05, 2009 – March 31, 2021.
- Duration: March 28, 2014 – Full Term
- Duration: August 16, 2017 – July 16, 2021.
- Duration : November 29, 2010 – July 31, 2021
- Duration: January 02, 2008 – January 01, 2033
- Duration: September 2013 – May 09, 2022
- Duration: November 13, 2009 Validity: Shall remain in effect unless terminated by either party.
- Duration: December 18, 2017 – December 17, 2022.

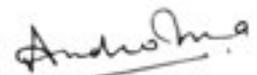
**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- Purchase of Domestic Gas from GAIL is through Domestic GAS allocation by MoPNG.
- Purchase of SPOT RLNG is through a Board approved process of competitive bidding in the ordinary course of business and at arm's length basis.
- Purchase of Gas from GAIL, HLPL, BGIES and SEMTIPL is as per the terms of the agreement/term sheet.

**(e) Date(s) of approval by the Board, if any: August 20, 2016**

**(f) Amount paid as advances, if any: NA**

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



**(Akhil Mehrotra)**  
Chairman

Place : Mumbai  
Date : July 31, 2018

## Dividend Distribution Policy

### Preamble

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations).

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Accordingly, this Dividend Distribution Policy has been approved and adopted by the Board of Directors of the Company at its meeting held on February 11, 2017.

### Circumstances under which the shareholders may expect dividend

The Equity Shareholders of the Company may expect an annual dividend if the Company is having surplus funds after providing all expenses, depreciation etc and after complying with related requirements of the Companies Act, 2013 and under other statutes. Company's sustainability of business, position of Reserves to handle unforeseen financial impact and immediate expansion plans shall also be important factors to be considered for taking the dividend decision.

### The financial parameters that shall be considered while declaring dividend

The factors considered while arriving at the quantum of dividend will include :

- Reasonable consistency to be maintained in dividend pay-out ratio, except in cases of abnormal change in profit for the year.
- Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the debt to equity ratio.

- Any cash reserves to be created either mandatory or voluntary.
- Possibilities of alternate usage of cash, e.g. capital expenditure, M&A opportunities with potential to create greater value for shareholders.
- Providing for unforeseen events and contingencies with financial implications.
- Contingent liabilities.

The Board may declare interim dividend(s) as and when considered fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board may additionally recommend special dividend in special circumstances.

### Internal and external factors that shall be considered for declaration of dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision will depend upon certain external and internal factors as follows:

#### External Factors:

**State of Economy:** in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

**Government policies & Regulation:** when Policies and Regulations are favourable to the business, dividend pay-out can be liberal. However, in case of unfavourable Policies & Regulations, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

**Statutory & other Restrictions:** The Board will keep in mind the restrictions imposed by the Companies Act, other applicable Statutes, Lenders with regard to declaration of dividend.

**Internal Factors:**

Apart from the external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include :

- (i) Profits earned during the year;
- (ii) Present & future Capital requirements of the existing businesses;
- (iii) Plan for Business Acquisitions;
- (iv) Expansion / Modernization of existing businesses / assets;
- (v) Contingent Liabilities;
- (vi) Any other factor as deemed fit by the Board.

**Utilisation of retained earnings**

The profits retained in business may be used for corporate actions in accordance with applicable laws and for investments towards growth of the business. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. The Board of Directors will aim to balance between all these needs.

**Parameters that shall be adopted with regard to various classes of share**

The Company does not have different classes of shares. In case, the Company issues Preference shares, equity dividend shall stand second in priority.

The Board shall assess the policy, as and when need arises.

## 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) is conscious of its social responsibility and has been continuously contributing towards social causes. In accordance with the vision of the Company, MGL's CSR initiatives will supplement its contribution in environment protection, development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct and social initiatives.

The company adopted a revised CSR Policy during the year 2014 aligned with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Various CSR initiatives of Mahanagar Gas Limited received accolades and recognitions during the year. MGL was conferred with The Golden Globe Tigers Award, 2017 for Support and improvement in quality of education. MGL was also conferred with The Middle East CSR Leadership Awards, 2017 for support and improvement in Quality of Education. MGL had showcased its flagship intervention - 'MGL Unnati' for the awards. 'MGL Unnati', is an intervention designed with the objective to promote vertical socio-economic mobility through education. The project envisages coaching and mentoring of meritorious children from economically fragile background; who have the talent but not the means to compete for admission in premier technical institutes. With the aim of removal of barriers for access to higher education, the project seeks to bring about a radical change in the lives of individuals. During the year, 29 out of the 30 students of 'MGL Unnati' qualified in JEE Mains.

MGL was declared winner of CSR Leadership Summit & Awards organized by Navbharat for best CSR practices for children welfare. MGL had showcased its interventions 'MGL Muskaan' - an education centric slum development initiative. Through balwadis, tuition classes, support classes, spoken English classes, computer classes and skills augmentation, Mahanagar Gas Limited has been assisting 700 souls to acquire necessary life skills for better future. The project is being implemented in Turbhe slum of Navi Mumbai.

Mahanagar Gas Limited was also conferred with National Awards for Excellence in CSR and sustainability under the category - Best CSR Impact Initiative. MGL was also conferred with Social Change Awards, 2017 and Innov Awards, 2017 for outstanding achievement in CSR.

Under 'Naal Paani Yojana', MGL has facilitated access to safe drinking water in 3 tribal hamlets of Palghar District of Maharashtra. The project is already dispensing water in 3 tribal hamlets benefitting nearly 120 households and 800 souls. MGL has also

sanctioned extension of project to 2 more tribal hamlets to benefit 175 households and more than 775 individuals.

MGL has supported operations of 8 balwadis in Parbhani and Jalna Districts of Maharashtra. The balwadis support pre-primary education of more than 400 children of sex workers in the district. These kids represent one of the most vulnerable group as they face exclusions which deprives them from having a normal growth trajectory. These children particularly at early stage starts developing a tough exterior for the lack of inclusion and grooming thereby killing the innocence of kids. Through balwadi intervention, MGL seeks to groom the children at an early age for their further development.

Mahanagar Gas Limited has facilitated construction of classroom block in ZP School, Nagaon in Thane District of Maharashtra. The school had reported dearth of classrooms. In addition to the classroom block, MGL has also facilitated construction of toilet block in the school. Separate block for girls and boys and for alternately abled individuals were constructed by Mahanagar Gas Limited.

In lines with the Government of India initiative of 'Swachh Bharat Abhiyan', Mahanagar Gas Limited has facilitated construction of toilet blocks in RZP School, Chowk in Raigad District of Maharashtra and Children's Aid Society, Mankhurd - a suburb of Mumbai. Mahanagar Gas Limited has also facilitated installation of 2 mobile toilets in Uran Municipal region, Raigad District of Maharashtra.

MGL is also supporting an initiative for empowerment of 10000 youths through education and counselling under project 'MGL Saksham'. The project is being rolled out in 30 schools in suburbs of Mumbai. The project includes component for improved learning level outcomes in STEM subjects, infrastructural support to schools, scholarships, group counselling and individual counselling to vulnerable and disturbed students.

MGL has also appointed Tata Institute of Social Sciences as monitoring and evaluation partner for its CSR initiative.

The CSR policy was approved by the Board of Directors and is uploaded on MGL website. The Company's Policy on Corporate Social Responsibility can be assessed at our website at the link <https://www.mahanagargas.com/investors/Policies.aspx>

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 Committee is constituted of the Managing Director, Whole Time Director (Technical Director) and two Independent Directors.

The following are the members of the CSR Committee.

1. Mrs. Radhika Haribhakti, Independent Director (Chairperson)
2. Mr. Raj Kishore Tiwari, Independent Director
3. Mr. Rajeev Mathur, Managing Director (up to May 30, 2018)
4. Mr. Sanjib Datta, Managing Director (w.e.f. May 30, 2018)
5. Ms. Susmita Sengupta, Whole Time Director (up to close of business hours of November 06, 2017)
6. Mr. Goutam Ghosh, Whole Time Director (w.e.f. November 20, 2017)

The Committee had 2 (two) meetings during the year 2017-18.

**Average net profit of the company for last three financial years under Sec 198 of Companies Act, 2013 is ₹495.95 crores.**

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

The prescribed CSR expenditure of the Company for the financial year 2017-18 was ₹9.99 Crores.

### Details of amount spent on CSR activities during the financial year.

Of the budget of ₹9.99 Crores for CSR activities for financial year 2017-18, ₹2.94 Crores was utilized in the financial year.

Amount unspent: ₹7.05 Crores.

MGL has adopted a robust process for management and effective implementation of CSR project. Funding against many projects are linked to achievement of milestones. Since milestone against some of the funding was not achieved, the payment could not be released. These funds will roll over to the next financial year and released subject to achievement of milestones. Change in Key Management Personnel handling CSR during the year also adversely impacted the pace of CSR project implementation. However, MGL is revamping the CSR process to complement its commitment towards social responsibility in true spirit.

The CSR Committee confirms that the implementation and monitoring is in compliance to the CSR Policy of the Company.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 (₹ in Lakhs)	Amount spent on the projects or programs Sub-heads: (₹ in Lakhs) (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency*
1.	Installation of HVAC in Bai Jerbai Wadia Hospital for Children - a grade II B Heritage Structure.	Health and Sanitation	Local Area	200.00	0.00	180.00	Bai Jerbai Wadia Hospital for Children.
2.	Pandit Deen Dayal Upadhyay Swasth Saarthi Abhiyaan		Local Area	118.55	6.51	104.21	Vansampada Bahuudeshiya Mandal
3.	Health Camps (MGL Aarogya)		Local Area	13.32	4.03	5.76	Sri Chaitanya Seva Trust
4.	Health Camps		Local Area	0.75	0.75	0.75	Jai Sainath Trust
5.	Ambulance		Local Area	10.00	9.82	9.82	Direct Expenses
6.	Swachh Bharat Abhiyan		Local Area	15.21	15.21	15.21	Wockhardt Foundation
7.	Swachh Bharat Abhiyan		Local Area	37.79	18.76	18.94	Direct expense
8.	Naal Paani Yojana		Palghar (Periphery District)	5.82	1.53	5.60	Savali Charitable Trust

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 (₹ in Lakhs)	Amount spent on the projects or programs Sub-heads: (₹ in Lakhs) (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency*
9.	Naal Paani Yojana	Health and Sanitation	Palghar (Periphery District)	6.50	-1.04	3.51	Bombay South Rotary Charitable Trust
10.	Health Camp		Local Area	0.50	0.50	0.50	Adnyan Research Foundation
11.	Road safety through first aid kit distribution		Local Area	3.02	0	0	Direct Expense
12.	Holistic Development of Children from the marginalized communities (Slums)(Project 2015 - 16)	Education and employment enhancing vocational Skills	Local Area	18.51	.07	17.52	Magic Bus India Foundation
13.	MGL Muskaan (Holistic Slum Development initiative with education focus) Project 2016-17		Local Area	4.98	2.49	4.98	Arambh
14.	Equipping primary and pre-primary sections		Local Area	11.72	5.08	9.78	Aseema Charitable Trust
15.	Model School Project (including toilet block)		Local Area	91.52	75.33	76.56	Direct Expense
16.	MGL Unnati (16-17)		Local Area	75.00	15.00	67.50	CSRL
17.	Computer Instructor for MCGM School (16-17)		Local Area	1.50	0.38	1.50	Shelter Don Bosco
18.	Computer Instructor for MCGM School (17-18)		Local Area	1.80	0.60	0.60	Shelter Don Bosco
19.	MGL Unnati (17-18)		Local Area	84.57	59.20	59.20	CSRL
20.	Balwadis for Children of Sex Workers		Parbhani, Jalna and Nanded Districts	18.32	4.08	4.08	Setu Charitable Trust
21.	MGL Muskaan (Holistic Slum Development initiative with education focus) Project 2017-18		Local Area	19.48	4.87	4.87	Arambh
22.	Value Based Education for students in their growing adolescence (16-17)	Local Area	7.55	1.51	7.55	Urivi Vikram Charitable Trust	
23.	Value Based Education for students in their growing adolescence (17-18)	Local Area	44.55	13.10	13.10	Urivi Vikram Charitable Trust	
24.	Mini Science Centers	Local Area	7.85	3.62	3.62	Direct Expense	
25.	Scholarships to students of MGL Unnati	Local Area	5.00	4.75	4.75	Direct Expense	
26.	MGL Disha - Education and Empowerment Initiative	Local Area	15.76	0.00	0.00	Don Bosco Development Society	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 (₹ in Lakhs)	Amount spent on the projects or programs Sub-heads: (₹ in Lakhs) (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency*
27.	MGL Hunar (2015-16)	Education and employment enhancing vocational skills	Local Area	30.15	0	18.45	National Yuva Cooperative Society
28.	MGL Hunar (2016-17)		Local Area	9.21	2.49	6.91	Don Bosco Yuva Sansthan
29.	Gas Plumbing Training		Local Area	32.68	13.50	26.84	Hirwal Education Trust (2016-17)
30.	MGL Hunar (17-18)		Local Area	36.00	9.00	9.00	Don Bosco Yuva Sansthan
31.	Plantation Initiative	Environment / Flora / Fauna Sustainability	Local Area	1.98	0	1.39	A K Rural Development Trust
32.	Plantation Initiative		Local Area	2.42	1.45	2.06	Don Bosco Yuva Sansthan
33.	Purchase and installation of solar street lights.		Beed District	3.52	0	0	Direct Expense
34.	Program Expenses 'Monitoring and Evaluation'	Monitoring and Evaluation'	Local Area	20.70	10.35	10.35	Tata Institute of Social Science
35.	Other Administrative Expenses	Training and capacity building of CSR personnel and Administrative Expenses	Local Area	49.95	11.32	11.32	Direct Expenses
	<b>TOTAL</b>			<b>1006.18</b>	<b>294.26</b>	<b>706.23</b>	

Sd/-  
(Technical Director)

Sd/-  
(Managing Director)

Sd/-  
(Chairperson - CSR Committee)

## Form No. MGT-9

### Extract of Annual Return

as on the financial year ended on March 31, 2018

[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	L40200MH1995PLC088133
2	Registration Date	May 08, 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)	Yes
7	Address of the Registered Office and contact details	MGL House, Block No.G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Tel. No. +9122- 6678 5000 Fax. No. +9122- 2652 8925
8	Name, address and contact details of Registrar and transfer Agents, if any	M/s. Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli (West) Mumbai - 400 083, Maharashtra, India Tel. No. +9122 - 4918 6000 Fax. No. +9122 - 4918 6060

#### 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	99.19%

#### 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 as on March 31, 2018 (Equity Share Capital Breakup as percentage of Total Equity)

##### (I) Category wise Shareholding

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>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual	-	-	-	0	-	0	0	0.00	0
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	32102740	-	32102740	32.50	32102750	-	32102750	32.50	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total – A (1)</b>	<b>32102740</b>	<b>-</b>	<b>32102740</b>	<b>32.50</b>	<b>32102750</b>	<b>-</b>	<b>32102750</b>	<b>32.50</b>	<b>0</b>
<b>2. Foreign</b>									
a. NRI – Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	32102710	-	32102710	32.50	32102710	-	32102710	32.50	0
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total – A(2)</b>	<b>32102710</b>	<b>-</b>	<b>32102710</b>	<b>32.50</b>	<b>32102710</b>	<b>-</b>	<b>32102710</b>	<b>32.50</b>	<b>0</b>
<b>Total Share Holding of Promoters (1+2)</b>	<b>64205450</b>	<b>-</b>	<b>64205450</b>	<b>65.00</b>	<b>64205460</b>	<b>-</b>	<b>64205460</b>	<b>65.00</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	5287227	-	5287227	5.3526	3862927	-	3862927	3.9107	-1.4419
b. Banks/FI	68476	-	68476	0.0693	399507	-	399507	0.4045	0.3351
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt	9877778	-	9877778	10.00	9877778	-	9877778	10.00	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	2578515	-	2578515	2.6104	1230509	-	1230509	1.2457	-1.3647
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Corporate	9683175	-	9683175	9.8030	9559725	-	9559725	9.6780	-0.1250
i. Foreign venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
<b>Sub – Total B (1)</b>	<b>27495171</b>	<b>0</b>	<b>27495171</b>	<b>27.8353</b>	<b>24930446</b>	<b>0</b>	<b>24930446</b>	<b>25.2389</b>	<b>-2.5965</b>
<b>2. Non – Institution</b>									
a. Body Corporate	553600	-	553600	0.5604	716148	-	716148	0.7250	0.1646
b. Individual									
i. Individual Shareholders holding nominal share capital upto ₹1,00,000	5078254	701	5078955	5.1418	7468349	341	7468690	7.5611	2.4193
ii. Individual shareholders holding nominal share capital in excess of ₹1,00,000	450739	-	450739	0.4563	183576	0	183576	0.1858	-0.2705

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	
c. Others	-	-	-	-	-	-	-	-	-
i. NRI (Rep)	150151	-	150151	0.1520	302281	-	302281	0.3060	0.1540
ii. NRI (Non - Rep)	28168	-	28168	0.0285	77120	-	77120	0.0781	0.0496
iii. Trust	401935	-	401935	0.4069	404077	-	404077	0.4091	0.0022
iv. In Transit	-	-	-	-	-	-	-	-	-
v. Hindu Undivided Family	262408	-	262408	0.2657	312642	-	312642	0.3165	0.0509
vi. Foreign Portfolio Investor (Individual)	1450	-	1450	0.0015	40	-	40	0.0000	-0.0014
vii. Clearing Member	149751	-	149751	0.1516	177298	-	177298	0.1795	0.0279
<b>Sub - Total B (2)</b>	<b>7076456</b>	<b>701</b>	<b>7077157</b>	<b>7.1647</b>	<b>9641531</b>	<b>341</b>	<b>9641872</b>	<b>9.7611</b>	<b>2.5966</b>
<b>Net Total (1+2)</b>	<b>34571627</b>	<b>701</b>	<b>34572328</b>	<b>35.0001</b>	<b>34571977</b>	<b>341</b>	<b>34572318</b>	<b>35.0001</b>	<b>0.0000</b>
<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Promoter and Promoter Group</b>	-	-	-	-	-	-	-	-	-
<b>Grand total (A+B+C)</b>	-	-	-	-	-	-	-	-	-

**(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	32102740	32.50	-	32102750	32.50	-	0
2	BG Asia Pacific Holdings PTE Limited	32102710	32.50	-	32102710	32.50	-	0

**(iii) Change in Promoter's Shareholding (Please specify if there is no change):**

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of total Shares of the Company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	GAIL (India) Limited	32102740	32.50	-	-	32102740	32.50
	Transfer			October 04, 2017	10	32102750	32.50
	At the end of the year					32102750	32.50
2	BG Asia Pacific Holdings PTE Limited	32102710	32.50	-	-	32102710	32.50
	At the end of the year					32102710	32.50

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

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of total Shares of the Company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	Governor of Maharashtra	9877778	10.00	-	-	9877778	10.00
	At the end of the year			-	-	9877778	10
2	Schroder International Selection Fund Emerging Asia	385640	0.3904	-	-	385640	0.3904
	Transfer			14 Apr 2017	116656	502296	0.5085
	Transfer			21 Apr 2017	131344	633640	0.6415
	Transfer			02 Jun 2017	174000	807640	0.8176
	Transfer			07 Jul 2017	124424	932064	0.9436
	Transfer			14 Jul 2017	56031	988095	1.0003
	Transfer			18 Aug 2017	139000	1127095	1.141
	Transfer			17 Nov 2017	57987	1185082	1.1997
	Transfer			24 Nov 2017	168713	1353795	1.3705
	Transfer			01 Dec 2017	29024	1382819	1.3999
	Transfer			08 Dec 2017	193076	1575895	1.5954
	Transfer			16 Feb 2018	117000	1692895	1.7138
	Transfer			23 Feb 2018	100000	1792895	1.8151
	Transfer			02 Mar 2018	248345	2041240	2.0665
	Transfer			09 Mar 2018	63655	2104895	2.1309
	Transfer			23 Mar 2018	259870	2364765	2.394
	At the end of the year					2364765	2.394
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund	2010365	2.0352			2010365	2.0352
	Transfer			28 Apr 2017	-43000	1967365	1.9917
	Transfer			05 May 2017	-81700	1885665	1.909
	Transfer			12 May 2017	-12000	1873665	1.8968
	Transfer			07 Jul 2017	-28785	1844880	1.8677
	Transfer			14 Jul 2017	-37895	1806985	1.8293
	Transfer			28 Jul 2017	-12000	1794985	1.8172
	Transfer			04 Aug 2017	-49900	1745085	1.7667
	Transfer			22 Sep 2017	3000	1748085	1.7697
	Transfer			29 Sep 2017	-15000	1733085	1.7545
	Transfer			24 Nov 2017	33000	1766085	1.7879
	Transfer			26 Jan 2018	-152500	1613585	1.6336
	Transfer			02 Feb 2018	-161000	1452585	1.4706
	Transfer			09 Feb 2018	-65900	1386685	1.4038
At the end of the year					1386685	1.4038	

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of total Shares of the Company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
4	Eastspring Investments India Equity Open Limited	1066730	1.0799			1066730	1.0799
	Transfer			12 May 2017	-58987	1007743	1.0202
	Transfer			06 Oct 2017	-47766	959977	0.9719
	Transfer			10 Nov 2017	-26602	933375	0.9449
	Transfer			24 Nov 2017	66309	999684	1.0121
	At the end of the year					999684	1.0121
5	Stichting Depository APG Emerging Markets Equity Pool	725500	0.7345			725500	0.7345
	Transfer			15 Sep 2017	19639	745139	0.7544
	Transfer			29 Sep 2017	10587	755726	0.7651
	Transfer			06 Oct 2017	2667	758393	0.7678
	Transfer			03 Nov 2017	8867	767260	0.7768
	Transfer			17 Nov 2017	18823	786083	0.7958
	Transfer			24 Nov 2017	42385	828468	0.8387
	Transfer			08 Dec 2017	22249	850717	0.8612
	Transfer			15 Dec 2017	35771	886488	0.8975
	Transfer			02 Feb 2018	25354	911842	0.9231
	Transfer			09 Feb 2018	9656	921498	0.9329
	Transfer			16 Feb 2018	41784	963282	0.9752
	Transfer			09 Mar 2018	31604	994886	1.0072
	At the end of the year					994886	1.0072
6	Somerset Small Mid Cap EM All Country Fund LLC	633647	0.6415			633647	0.6415
	Transfer			06 Oct 2017	-14274	619373	0.627
	At the end of the year					619373	0.627
7	UTI-Dividend Yield Fund	1009000	1.0215			1009000	1.0215
	Transfer			19 May 2017	-36000	973000	0.985
	Transfer			26 May 2017	-35000	938000	0.9496
	Transfer			02 Jun 2017	-10000	928000	0.9395
	Transfer			09 Jun 2017	-36000	892000	0.903
	Transfer			30 Jun 2017	-18000	874000	0.8848
	Transfer			08 Sep 2017	4800	878800	0.8897
	Transfer			13 Oct 2017	-600	878200	0.8891
	Transfer			03 Nov 2017	-45000	833200	0.8435

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of total Shares of the Company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
	Transfer			22 Dec 2017	-54000	779200	0.7888
	Transfer			26 Jan 2018	-8000	771200	0.7807
	Transfer			02 Feb 2018	-73000	698200	0.7068
	Transfer			16 Feb 2018	-18000	680200	0.6886
	Transfer			23 Feb 2018	-36000	644200	0.6522
	Transfer			23 Mar 2018	-45709	598491	0.6059
	Transfer			31 Mar 2018	-64000	534491	0.5411
	At the end of the year					534491	0.5411
8	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	363354	0.3678			363354	0.3678
	Transfer			19 May 2017	15000	378354	0.383
	Transfer			26 May 2017	8164	386518	0.3913
	Transfer			02 Jun 2017	14500	401018	0.406
	Transfer			30 Jun 2017	20000	421018	0.4262
	Transfer			11 Aug 2017	41982	463000	0.4687
	Transfer			18 Aug 2017	-6500	456500	0.4621
	Transfer			01 Dec 2017	-21500	435000	0.4404
	Transfer			05 Jan 2018	40000	475000	0.4809
	At the end of the year					475000	0.4809
9	National Insurance Company Ltd	341479	0.3457			341479	0.3457
	Transfer			09 Feb 2018	100000	441479	0.4469
	At the end of the year					441479	0.4469
10	Kotak Tax Saver Scheme	236170	0.2391			236170	0.2391
	Transfer			05 May 2017	14400	250570	0.2537
	Transfer			19 May 2017	-8400	242170	0.2452
	Transfer			02 Jun 2017	2400	244570	0.2476
	Transfer			09 Jun 2017	10800	255370	0.2585
	Transfer			16 Jun 2017	9600	264970	0.2682
	Transfer			23 Jun 2017	-2400	262570	0.2658
	Transfer			30 Jun 2017	3000	265570	0.2689
	Transfer			14 Jul 2017	22800	288370	0.2919
	Transfer			21 Jul 2017	7800	296170	0.2998
	Transfer			28 Jul 2017	1200	297370	0.301
	Transfer			04 Aug 2017	44400	341770	0.346

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of total Shares of the Company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
	Transfer			11 Aug 2017	37200	378970	0.3837
	Transfer			18 Aug 2017	-59400	319570	0.3235
	Transfer			25 Aug 2017	10800	330370	0.3345
	Transfer			01 Sep 2017	18000	348370	0.3527
	Transfer			08 Sep 2017	22800	371170	0.3758
	Transfer			15 Sep 2017	8400	379570	0.3843
	Transfer			22 Sep 2017	12000	391570	0.3964
	Transfer			29 Sep 2017	-3000	388570	0.3934
	Transfer			06 Oct 2017	33600	422170	0.4274
	Transfer			13 Oct 2017	-26400	395770	0.4007
	Transfer			27 Oct 2017	3600	399370	0.4043
	Transfer			03 Nov 2017	-2400	396970	0.4019
	Transfer			10 Nov 2017	-42630	354340	0.3587
	Transfer			17 Nov 2017	82030	436370	0.4418
	Transfer			24 Nov 2017	11819	448189	0.4537
	Transfer			01 Dec 2017	6000	454189	0.4598
	Transfer			08 Dec 2017	-64200	389989	0.3948
	Transfer			22 Dec 2017	10200	400189	0.4051
	Transfer			29 Dec 2017	10800	410989	0.4161
	Transfer			05 Jan 2018	10800	421789	0.427
	Transfer			19 Jan 2018	-8400	413389	0.4185
	Transfer			26 Jan 2018	1200	414589	0.4197
	Transfer			02 Feb 2018	-37200	377389	0.3821
	Transfer			16 Feb 2018	30000	407389	0.4124
	Transfer			23 Feb 2018	19800	427189	0.4325
	Transfer			02 Mar 2018	1800	428989	0.4343
	Transfer			09 Mar 2018	5400	434389	0.4398
	Transfer			16 Mar 2018	28800	463189	0.4689
	Transfer			31 Mar 2018	-30000	433189	0.4385
	At the end of the year					433189	0.4385

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For each of the Directors and KMP Name of the Director / KMP	Shareholdings at the beginning of the year		Shareholdings at the end of the year	
		No. of Shares Held	% of total Shares of the Company	No. of Shares Held	% of total Shares of the Company
1	Alok Mishra Company Secretary & Compliance Officer	484	Negligible	484	Negligible
2	Sunil M. Ranade CFO	449	Negligible	449	Negligible

**V. Indebtedness**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
1. Principal Amount	-	270.03	-	270.03
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not paid	-	-	-	-
<b>Total of (1+2+3)</b>	-	<b>270.03</b>	-	<b>270.03</b>
<b>Change in the Indebtedness during the year</b>				
+ Additions (including interest)	-	-	-	-
- Reduction	-	(150.52)	-	(150.52)
<b>Net Change</b>	-	<b>(150.52)</b>	-	<b>(150.52)</b>
<b>Indebtedness at the end of the year</b>				
1. Principal Amount	-	119.51	-	119.51
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	-	<b>119.51</b>	-	<b>119.51</b>

## VI. Remuneration to Directors and Key Managerial Personnel

### 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. Rajeev Mathur Managing Director	Ms. Susmita Sengupta Whole Time Director (till November 06, 2017)	**Mr. Goutam Ghosh Whole Time Director (from November 20, 2017)
1.	<b>Gross Salary</b>	₹94,50,845	₹2,15,19,816	₹68,09,650
	*Secondment charges paid to promoters and expenses of MD paid by MGL.			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	<b>Stock Options</b>	N.A.	N.A.	N.A.
3	<b>Sweat Equity</b>	N.A.	N.A.	N.A.
4	<b>Commission</b>	N.A.	N.A.	N.A.
	- As % of Profit			
	- Others, specify			
5	<b>Others, please specify Provident Fund &amp; other Funds.</b>	-	-	-
	<b>Total (A)</b>	<b>₹94,50,845</b>	<b>₹2,15,19,816</b>	<b>₹68,09,650</b>
	Ceilings as per Act	5% of the net profits of the Company		

**\* Note:**

- Mr. Rajeev Mathur, Ms. Susmita Sengupta and Mr. Goutam Ghosh are getting remuneration / salary from their respective employer's i.e. GAIL & BGAPH. Your Company has paid the amount of ₹76,45,592 and ₹2,83,29,466 to the promoters, i.e. GAIL & BGAPH respectively as secondment charges as these Directors are not the employees of the Company.
- Secondment charges paid to GAIL above does not include expenditure incurred by MGL on bachelor accommodation provided to the Managing Director, Telephone Expenses, Electricity Expenses, Gas Expenses and club facility used for the entertainment of guests. Secondment charges paid to BGAPH does not include provision for remuneration of ₹7,34,701.

### 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 2017-18.

### 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 2015-16.

## Following are the details of Commission paid to the following Independent Directors for the Financial Year 2017-18:

(₹ in Lakhs)

Sr No.	Name of the Director	Number of Board meetings attended	Amount payable	Chairmanship held for Committee meetings				Stakeholders Relationship	Amount Payable	PRBC	Amount Payable	Total Amount
				Audit	Amount Payable	Nomination & Remuneration	Amount Payable					
1	Mr. J.K Jain (Ceased to hold office w.e.f. March 04, 2018)	4	2.00	2	0.20	-	0.00	-	0.00	-	0.00	2.20
2	Mr. Santosh Kumar	6	3.00	-	0.00	-	0.00	-	0.00	8	0.80	3.80
3	Mr. Arun Balakrishnan	6	3.00	2	0.20	5	0.50	-	0.00	-	0.00	3.70
4	Mr. Raj Kishore Tewari	6	3.00	-	0.00	-	0.00	-	0.00	-	0.00	3.00
5	Mrs. Radhika Haribhakti	5	3.00	-	0.00	-	0.00	2	0.20	-	0.00	3.20
			<b>14.00</b>		<b>0.40</b>		<b>0.50</b>		<b>0.20</b>		<b>0.00</b>	<b>15.90</b>

The Commission for the financial year 2017-18 was approved in the Board Meeting held on May 21, 2018 and was paid on June 28, 2018.

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Mr. S. M Ranade CFO	Mr. Alok Mishra Company Secretary & Compliance officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	76.33	35.49	111.82
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.07	0.48
	(c) Profits in lieu of Salary under Section 17(3) of the 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	3.66	1.62	5.29
	<b>Total</b>	<b>80.39</b>	<b>37.19</b>	<b>117.59</b>

## Annexure-VI

## Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 (the Act) read with Rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of Director (Executive/Non-Executive Independent Director)	Directors' Remuneration (₹In Lakhs)	Employee Median Remuneration (₹In Lakhs)	Ratio
1.	Mr. Rajeev Mathur, Managing Director	94.50	11.28	8.377:1
2.	Ms. Susmita Sengupta, Whole Time Director	215.19	11.28	19.077:1
3.	Mr. Goutam Ghosh, Whole Time Director	68.09	11.28	6.036:1
4.	Mr. Jainendar Kumar Jain	2.25	11.28	0.199:1
5.	Mr. Santosh Kumar	7.30	11.28	0.647:1
6.	Mr. Arun Balakrishnan	5.07	11.28	0.449:1
7.	Mr. Raj Kishore Tewari	4.85	11.28	0.429:1
8.	Mrs. Radhika Haribhakti	4.02	11.28	0.356:1

The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year.	Employee No.	Employee Name	Designation	% increase on CTC in 2017-18
	1003	Sunil Ranade	CFO	8.50%
	1732	Alok Mishra	Company Secretary & Compliance Officer	9.50%

The percentage increase in the median remuneration of employees in the financial year.	Median Remuneration Increase for eligible employees during the Financial Year is 9% (Including S level)
--	---

The number of permanent employees on the rolls of company.	As on March 31, 2018	Permanent Employees	Fixed Term Contract (FTC)	Total
		507	35	542

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	Eligible employees percentage increase in 2017-18 excluding SMG and KMP	8.92% (Average increment actual paid)
And its comparison with the Percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in 2017-18 for SMG and KMP (including CFO, SVP (Comm), SVP (O & M), SVP (Constrn), VP (HR & CC), VP (C & P) and Company Secretary & Compliance Officer.	8.85%

It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## 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 cascade carrying vehicles, to reduce the frequency of movements of cascade carrying vehicles.

Use of 2nos. of Type III composite cylinder cascades of 10000 liters Water capacity is planned and implementation is in progress. Further 6 more Type III cascades is being planned for upcoming stations.

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

Solar Power Plant of 17kw installed at CGS, Wadala, and 20KW installed each at MGL Office, Mahape and CGS. Taloja has been commissioned and successfully catering to the electrical lighting load of the office building.

Similarly such Solar Power Plants are installed at MGL office at Ambernath (10kw) and MSRTC, Khopat, Thane (5kw) and NMMT, Turbhe (5kw) is commissioned and taken into operation.

Augmentation of Solar Plant capacity of CGS, Taloja (by 30kw) and CGS, Ambernath (5kw) is planned. Further, wind turbine of 5kw each are planned at CGS, Taloja and CGS, Ambernath.

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.

Gas Gensets are installed at gas receiving stations (Mahape, Taloja and Ambernath) and MGL owned CNG station at Owala, Thane to provide electrical power back up.

Installation of Gas Genset at MGL CNG station at Thane and one more station to power CNG compressor (as primary electrical power source) is being planned.

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.

Continuous efforts are put to maintain electrical power factor at CNG stations at desired level to achieve efficient use of electric energy.

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.

### B) Capital investment on energy conservation equipment's :

Company has spent ₹16.9 Lakh for Solar Power Plant at CGS, Taloja and finalized PO of ₹7.35 Lakh for Solar Power Plant at CGS, Ambernath.

Company has spent ₹3.5 Lakh each on Solar Power Plant at MSRTC, Thane and NMMT, Turbhe.

**Technology Absorption:**

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
1	Research and Development (R&D)		
A	Specific areas in which R&D carried out by the Company	<p>(a) Continuity with development of:</p> <ul style="list-style-type: none"> <li>• LoRa-based AMR system for Domestic customers.</li> <li>• GSM/GPRS based AMR system for Commercial Customers.</li> <li>• DRS with metering system (prior to pressure regulation).</li> <li>• Compact underground DRS with butterfly valves.</li> <li>• Usage of multi-layered composite pipes as a replacement of copper pipes.</li> <li>• Usage of PE pipes (embedded with copper wire) for better traceability.</li> <li>• CNG HPRS for supply of PNG to remote areas.</li> <li>• Seismic survey in GA III areas.</li> <li>• Practical and cost-effective data logger in DRS.</li> <li>• Upgradation of Design of Canopy Fascia of CNG station.</li> <li>• Replacement of higher sizes of diaphragm gas meters with RPD meters (which has better accuracy).</li> <li>• Usage of ultrasonic meters and thermal mass meters for Commercial customers.</li> <li>• Full review of technical specifications and Codes of Practice in process.</li> <li>• Design of PNG riser and lateral system in high-rise building with height more than 120 metres.</li> <li>• Design of PNG riser and lateral system for buildings having glass facades.</li> <li>• Upgradation of Design of ancillary equipments in CNG station, Canopy Columns and Bay Indicators, Totem, Dispenser, Flag Post, Sales building, Bus Shelter, etc.</li> <li>• Usage of SS canopy for commercial customer.</li> <li>• Indigenous development of fittings for PE riser system as an alternative to GI riser system.</li> </ul>	<p>(b) Continuity with development of:</p> <ul style="list-style-type: none"> <li>• AMR system for Domestic and Commercial customers.</li> <li>• DRS with metering system.</li> <li>• Compact underground DRS with butterfly valves.</li> <li>• Usage of multi-layered composite pipes as a replacement of copper pipes.</li> <li>• Practical and cost-effective data logger in DRS.</li> <li>• Replacement of higher sizes of diaphragm gas meters with RPD meters (which has better accuracy).</li> <li>• Usage of ultrasonic meters and thermal mass meters for Commercial customers.</li> <li>• Standardization of usage of materials (ERW GI pipes, PE pipes).</li> <li>• Full review of technical specifications in process.</li> <li>• Design of PNG riser and lateral system in high-rise building with height more than 120 metres.</li> <li>• Replacement of conventional crimping fitting with injection moulded transition fitting.</li> </ul>

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
B	Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>Improvement in the existing business processes and working standards of a City Gas Distribution Project.</li> <li>Facilitating better gas balancing of network.</li> <li>Development of Natural Gas Market.</li> <li>Safe and effective operation of Gas Supply Network.</li> <li>Cost saving and energy saving.</li> <li>Effective inventory management.</li> <li>Supply of PNG to remote areas.</li> <li>Enhancement of branding of MGL at CNG outlets</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in the existing business processes and working standards of a City Gas Distribution Project.</li> <li>Facilitating better gas balancing of network.</li> <li>Development of Natural Gas Market.</li> <li>Safe and effective operation of Gas Supply Network.</li> <li>Cost saving and energy saving.</li> <li>Effective inventory management.</li> </ul>
C	Future plan of action	<ul style="list-style-type: none"> <li>Continuing vendor development (Regulators, Gas Meters, etc.)</li> <li>Review feasibility of providing PNG / CNG to remote locations through LCNG facilities.</li> <li>Supply of PNG to areas of Pen and other parts of GA III by using CNG HPRS system.</li> </ul>	<ul style="list-style-type: none"> <li>Standardization of usage of PE pipes.</li> <li>Continuing vendor development (Regulators, Gas Meters, etc.)</li> <li>Review feasibility of providing PNG / CNG to remote locations through LCNG facilities.</li> </ul>
D	Expenditure on R&D :		
	a) Capital		
	b) Recurring		
	c) Total	NIL	
	d) Total R&D expenditure as a percentage of total turnover		₹11,58,000.00 (for Caesar-II software)

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
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 Shell Group), adapted for local implementation.	Further development of Standards, Specifications and Operating Procedures (from Shell 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.	<ul style="list-style-type: none"> <li>Safe operation of Gas Supply Network.</li> <li>Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meters, Service Regulators and AMR systems.</li> <li>Growth strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Safe operation of Gas Supply Network.</li> <li>Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meters and AMR systems.</li> <li>Growth strategy.</li> </ul>
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	NA	Caesar-II software
(b)	Year of import	NA	2016
(c)	Has technology been fully absorbed?	NA	Yes
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	NA	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	63.65	92.30

# Business Responsibility Report for FY 2017-18

## Introduction

In conformance to the requirements of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for FY 2017-18 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business notified by the Ministry of Corporate Affairs, Government of India.

## Principles

### Principle

1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

---

### Principle

2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

---

### Principle

3

Businesses should promote the wellbeing of all employees.

---

### Principle

4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

---

### Principle

5

Businesses should respect and promote human rights.

---

### Principle

6

Business should respect, protect, and make efforts to restore the environment.

---

### Principle

7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

---

### Principle

8

Businesses should support inclusive growth and equitable development.

---

### Principle

9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

---

## Section A: General Information about the Company.

1	Corporate Identity Number (CIN)	L40200MH1995PLC088133
2	Name of the Company	Mahanagar Gas Limited
3	Registered address	MGL House, Block G-33, Bandra- Kurla Complex, Bandra (E), Mumbai-400051.
4	Website	www.mahanagargas.com
5	E-mail id	info@mahanagargas.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company operates presently in the business of City Gas Distribution. National Industrial Classification code of the Product is 3520.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Supply and Distribution of Natural Gas in the city of Mumbai, Thane urban and adjoining municipalities and the Raigad district.
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	—  i. Corporate Office in BKC, Mumbai and ii. City Gas Stations (CGS) at:- a) Wadala, Mumbai b) Mahape, Navi Mumbai c) Ambarnath, Thane d) Taloja, Raigad
10	Markets served by the Company – Local / State / National / International	Local

## Section B: Financial details of the Company

1	Paid up Capital (INR)	₹ 9,877.78 Lakhs
2	Total Turnover (INR)	₹ 2,45,291.70 Lakhs
3	Total profit after taxes (INR)	₹ 47,787.23 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 294.27 Lakhs, which is 0.59% of average net profit of the last 3 years, calculated in the manner specified in Section 135 of the Companies Act, 2013 and rules made there under.
5	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> <li>• Health Care and Sanitation</li> <li>• Education and employment enhancing vocational Skills</li> <li>• Environment / Flora / Fauna Sustainability.</li> <li>• Training &amp; Capacity Building of CSR personnel &amp; Administrative Expenses</li> </ul>

## Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Mahanagar Gas Limited (MGL) does not have any subsidiary company.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. None of the entity / entities with whom Company does business, participates in the BR initiatives of the Company. However, such entities may be having BR initiatives of their own which they may be following. GAIL (India) Limited, promoter of the Company and the major gas suppliers i.e IOCL, BPCL, HPCL and ONGC are required to undertake the BR activities and release their own dedicated Business Responsibility Report.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR:

a.	Details of the Director/Director responsible for implementation of the BR policy/policies.	Rajeev Mathur, Managing Director* DIN: 03308185  Sanjib Datta, Managing Director <sup>§</sup> DIN: 07008785
b.	Details of the BR head	Rajeev Mathur, Managing Director* DIN: 03308185  Sanjib Datta, Managing Director <sup>§</sup> DIN: 07008785 Telephone Number: 022 6678 5000 Email ID: info@mahanagargas.com

\*ceased w.e.f May 30, 2018

<sup>§</sup>Appointed w.e.f May 30, 2018

### 2. Principle-wise (as per NVGs) BR Policy / policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and approved by Competent Authority in the Organization. i.e Board of Directors.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, all the Policies have been framed as per the applicable legal framework.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the officers of respective departments of the Company oversee the implementation of Policy.								
6	Indicate the link for the policy to be viewed online?	Ref S	Ref &	Ref &	Ref S	Ref &	Ref &	Ref S	Ref &	Ref &
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company proposes to periodically carry out independent audit / evaluation of policy by a designated agency.								

### Principle wise index:

P1 - Code of Conduct for Board Members and Senior Management Personnel, Whistle Blower Policy and Vigil Mechanism Policy.

P2- Contract and Procurement Manual, Natural Gas Sourcing Policy, Code of Conduct for Suppliers, and Quality Policy.

P3 - Human Resources Policies.

P4 - Corporate Social Responsibility Policy.

P5 - Prevention of Sexual Harassment at Workplace, Grievance Redressal Policy.

P6 - Health, Safety and Environment Policy

P7 - Code of Conduct and Code of Practices & Procedures for fair disclosure of Unpublished Price Sensitive Information.

P8 - Corporate Social Responsibility Policy and Health, Safety and Environment Policy.

P9 - Corporate Communication Policy, Policy on Information Technology, Corporate Logo Usage guidelines.

§: <https://www.mahanagargas.com/investors/Policies.aspx>

&: Policy is available on the Company's intranet portal, which is accessible to all employees.

### (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable

### 3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

MGL is committed to becoming a strong and sustainable organization. The Board of Directors constitute of representatives from our promoter i.e GAIL (India) Limited and BG Asia Pacific Holdings Pte. Limited and representative of Government of Maharashtra, which all put sustainability high on the Board agenda. Apart from overall review, the Board of Directors also review the BR performance and is an inherent part of corporate function.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company got listed on July 01, 2016 and as mandated by SEBI, the Company released its first Business Responsibility Report for the previous Financial Year 2016-17. The Business Responsibility Report for the Financial Year 2017-18 forms part of this Annual Report. The same is available on the website of the Company and can be accessed at <https://www.mahanagargas.com/investors/annual-reports.aspx>.

### Section E: Principle-wise Performance

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company has adopted a Code of Conduct for Board Members and Senior Management as per applicable regulatory standards. A culture of integrity and ethics is fostered throughout the Company by strong set of values. The Company has been voluntarily adopting the Corporate Governance practice much before the listing of its shares on the Stock Exchanges. Annual affirmation for compliance of the Code of Conduct is obtained from each of the Board Members and Senior Management. A separate Code of Conduct for all employees is being formulated. The values and the commitment to ethical business practice are also binding to all Suppliers, Contractors, and other external agencies of the Company. MGL do not have any Joint Venture, Subsidiary or Associate Company. We have a robust and effective Whistle Blower Policy which aims to deter and detect actual or suspected misconduct. Under this policy, employees can forward their concern under Whistle Blower Policy in writing directly addressed to the Chairman, Audit Committee. The Company also has in place a Vigilance Mechanism policy and the same may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/Policies.aspx>

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Stakeholders	Complaints Received during FY 2017-18	Complaints Resolved during FY 2017-18	Complaints Resolved (%)
Investor's Complaints	18	18	100%
Vendor/Contractor's Complaints	Nil	NA	NA
Employees	Nil	NA	NA
Public (received through CPGRAM)	86	88*	100%

\*6 complaints received in March-2017 were closed in April 2017 and 4 Complaints received in March 2018 were closed in April 2018.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.

Supply and Distribution of Natural Gas.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The primary business of MGL is supplying and distribution of Natural Gas to its customers through pipeline and CNG stations that is environment friendly, reliable, economical

and safe. The Ministry of Petroleum and Natural Gas (MoPNG) allocates natural gas, an environmentally benign fuel for the entire requirement of CNG and domestic PNG under Administered Price Mechanism (APM) and Panna Mukti Tapti Agreements. The requirements of Industrial and Commercial customers are cradled through Regasified Liquefied Natural Gas (RLNG). During the entire distribution chain, it is our constant endeavor to minimize gas loss.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

MGL is supplying Natural Gas, which is a cleaner fuel thereby leading to a transition to the low carbon growth. MGL always encourages the community to use PNG and CNG over conventional energy resources which generate high emissions. Use of CNG today is reducing vehicular emissions by about 1350 tons per day, making a significant improvement in the City's environment. As Natural Gas is the most benign fossil fuel, this has led to reduction of emissions at customers end.

Solar Power Plants of 17kw installed at CGS, Wadala, and 20KW each at MGL Office, Mahape and CGS, Taloja have been commissioned and one is successfully catering to the electrical lighting load of the office building. Similarly, such Solar Power Plants are installed at MGL office at Ambernath (10kw) and MSRTC, Khopat, Thane (5kw) and NMMT, Turbhe (5kw) have been taken into operation. Augmentation of Solar Plant capacity of CGS, Taloja (by 30kw) and CGS, Ambernath (5kw) is planned. Further, wind turbines of 5kw each are planned at CGS, Taloja and CGS, Ambernath.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Ministry of Petroleum and Natural Gas (MoPNG) allocates natural gas, an environmentally benign fuel, for the entire requirement of CNG and domestic PNG under Administered Price Mechanism (APM) and Panna Mukti Tapti Agreements. As per the MoPNG Guidelines, the Company has access to cost effective domestic natural gas equal to 110% of our CNG and domestic PNG requirements.

For our industrial and commercial PNG consumers, the Company sources Regasified Liquefied Natural Gas (RLNG), again a clean fuel from a number of sources, on spot basis. The Company has entered into renewed framework agreements for spot RLNG with suppliers to source spot RLNG in a competitive manner, and address the daily and

seasonal fluctuations in gas demand. The sale price is linked to Alternative Fuel. In accordance with comprehensive gas sales pricing policy, the Company successfully maintained its margins, despite considerable fluctuation in Spot RLNG prices during the year. The Company has a couple of sources and four gas receiving points, thereby minimizing the chances of interruption of gas supply.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company sources natural gas from GAIL and other suppliers as mentioned above. We follow a transparent least price tendering approach for procurement. MGL selects its vendors based on carefully designed evaluation criteria for all goods and services to be procured. In this procurement process, an equal opportunity is given to the local established vendors as well as to any other small vendors, and as applicable they are invited for the tendering process. The Company has a detailed Contract and Procurement manual and the contracts are made as per the rules and criteria laid down in the manual.

- 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The nature of business being supply and distribution of natural gas, our operations consume minimal raw material and resources and generate minimal waste. The Company has a documented procedure for generation, handling, storage and disposal of various types of hazardous waste as per the consent to operate, granted to City Gate Stations at Sion, Mahape, Ambernath and Taloja by Maharashtra Pollution Control Board, Mumbai. Assets like Desktops, Laptops, Printers and Storage are given back under buyback to the vendor, who supplies new assets. HP original cartridges are given back to HP under their HP Planet Partner MVC benefits which ensure recycling of these cartridges.

**Principle 3: Businesses should promote employee well-being**

- 1. Please indicate the total number of employees.**

507 Permanent Employees and 35 Fixed Term Contract (as on March 31, 2018)

- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

The total numbers of employees hired on temporary/contractual/casual basis: 1820 (as on March 31, 2018)

**3. Please indicate the Number of permanent women employees.**

Number of permanent women employees: 49

**4. Please indicate the Number of permanent employees with disabilities.**

Number of permanent employees with disabilities: Nil

**5. Do you have an employee association that is recognized by management.**

Yes, the Company has one recognized employee association i.e Petroleum Employee Union.

**6. What percentage of your permanent employees is members of this recognized employee association?**

17.36% of the permanent employees are members of the recognized employee association (as on March 31, 2018)

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	NA
2	Sexual harassment*	2	NA
3	Discriminatory employment	Nil	NA

\* The 2 (two) separate complaints addressed to the Grievance Handling Officer were forwarded to Internal Complaint Committee (ICC). The ICC, after hearing both the complainants and respondent, concluded that the complaint was a case of office grievance and not a complaint of sexual harassment.

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent Employees	217	398
Permanent Women Employees	8	37
Casual/Temporary/Contractual Employees#	521	—
Employees with Disabilities	NA	NA

# MGL has also conducted the "Safety and Technical Competency Training" to 14,836 persons during the year 2017-18. The training has been imparted to various manpower including Site Supervisors, Project Managers, Technicians, Labourers and Helpers, Site Engineers, Safety Officers, electrician, carpenter, plumber etc. deployed by contractors for MGL work.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its various key internal and external stakeholders which include investors, customers, employees, suppliers, vendors, Government Bodies, Media, Communities and public at large and employs various mechanisms and practices for engaging with them for fruitful dialogue and continued relationship. MGL regularly engages with its community stakeholder group, including those falling under disadvantaged, vulnerable and marginalized category, in our areas of operations at Mumbai, Thane urban and adjoining municipalities and the Raigad district to understand and respond to community needs in an effective manner. The Company organizes various interactive sessions with its suppliers, vendors and customers for their feedback and to offer better services. The Company has also registered an active presence in social media for interaction with external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised Stakeholders?**

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. As part of MGL's CSR initiatives, the Company has initiated projects for enhancing education (through support classes, study classes, running balwadis, installation of mini science centers, installing and running computer laboratories, counseling, equipping classroom, constructing classroom blocks, toilet blocks, etc.), skills augmentation, environment initiative, community-based drinking water projects, health camps, etc. for the marginalized communities. All the activities rolled out by the company under its CSR initiative target vulnerable groups like slum dwellers, kids of sex workers, students of low cost schools / government schools, unemployed youths, tribal hamlets, etc.

**3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

At MGL, we have catalyzed reforms and identified role of 3 E's in shaping the community around. MGL through its community outreach programmes and initiatives continue to contribute and focus on Education, Environment, Empowerment and Health, thereby fostering the philosophy of taking care of the community for a sustainable tomorrow. MGL has been continuously contributing in social investments primarily in the areas of Education, Skills Development, Health and Sanitation and Women empowerment. MGL has also implemented community-based drinking water projects in 3 tribal hamlets around Mumbai. MGL has also initiated similar drinking water projects for another 2 tribal hamlets. Under MGL Aarogya, the Company has facilitated health check-up of more than 1250 auto rickshaw and taxi drivers within its area of operation.

Under MGL Hunar, employment-oriented skills development training is being imparted to unemployed and underemployed youths in various trades like Gas Plumbing, Welding, Electrician and RAC. MGL Saksham is an initiative designed for educational empowerment of 10000 students - mostly first-generation learners from slums of Mumbai. The initiative includes support class, counseling to address negative behavior, scholarships to meritorious students, infrastructure support to schools, etc. MGL Disha is an education centric slum development initiative designed by MGL. The project components include support classes for students, promotion and strengthening of Self Help Groups for women, employability training to women, health awareness and check-up camps and financial literacy, etc. MGL has facilitated equipping of pre-primary classrooms in a MCGM school in Mumbai. It has also facilitated installation

of computer laboratories in 2 MCGM Schools in Mumbai in the past and is now supporting the school with a computer instructor. MGL has been extending the support of a computer instructor for operations of the computer laboratories. MGL has installed 7 Mini Science Centers in various government, government aided and private affordable schools in and around Mumbai. With an objective of facilitating mainstream education for kids of sex workers, MGL is operating 8 balwadis. The balwadis offers a learning environment for cognitive development of child and also addresses the issue of malnutrition through mid-day meal intervention.

**Principle 5: Businesses should respect and promote human rights.**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

We respect human rights of all concerned and provide equal opportunities to all without any discrimination on the basis of gender, caste or religion. The Company had constituted an Internal Complaints Committee in compliance with the 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. MGL does not have any Group / Joint Ventures / Subsidiary / Associate Companies.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No Complaints regarding breach of Human Rights were received during the FY 2017-18.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment.**

**1. Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?**

As a responsible organization, we are committed to take necessary steps for the protection of the environment. MGL believes that outstanding business performance requires outstanding HSSE performance in the protection of the health and safety of our people, those affected by our operations, our physical assets, our reputation and the environment. Our Goal is zero injuries because we believe they are all preventable. We conduct our business in a responsible manner and adhere to internationally accepted good practices. HSSE performance is everyone's responsibility and each of us has a duty to intervene to prevent unsafe actions and to reinforce good behavior through demonstrating HSE leadership. Health, Safety,

Security & Environment (HSS&E) policy of the Company is applicable to all employees and stakeholders involved in MGL's business. MGL does not have any Group / Joint Ventures / Subsidiary / Associate Companies. MGL is accredited to OHSAS 18001:2007 for Occupational Health & Safety Management system, ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management System which are being audited regularly at par with international requirements.

MGL 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. The Company considers its contractors as business partners and expects them to adhere to the Company's HSE standards. Coaching and assistance is provided to the business partners as and when required.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

MGL understands its role and responsibility of mitigating the effects of climate change and is committed to the environmental protection. The Company is in the business of distribution of the Natural Gas, which is the cleaner form of fuel compared to the other fuels. The objectives and goals of the Company include its contribution towards reduction of pollution in and around Mumbai and beyond by expanding its operation and bringing of natural gas to more number of people. In order to address the global environmental issues, Mahanagar Gas Limited, under its CSR initiative, had tied up with Don Bosco Yuva Sansthan for taking up tree plantation. 500 saplings were planted under the initiative. The plantation drive was kick started during the visit of CSR Committee Chairperson to the Sansthan.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, the Company identifies and assesses potential environmental risk. MGL has identified all environmental aspects within the defined scope of the Environmental Management System i. e. at CGS - Sion, Ambernath, Mahape and Taloja for its activities, products and services that it can control and those that it can influence, and their associated impacts, considering life cycle perspective.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The environment is both a brand image as well as a core area of focus for Mahanagar Gas Limited. In addition to the

process and procedures that the Company has in place, to meet the requirements of ISO-14001 accreditation, every year the 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. This year on World Environment Day, awareness sessions were conducted on recycling of plastics, initiatives for plastic waste as a fuel in various Industries, problem of plastic disposal in India and various ways to counter it, segregation of dry waste and wet waste, various aspects of plastic pollution and legal bindings, to make a compost at home using kitchen waste by the officials from MCGM and India Center for Plastics in the Environment (ICPE).

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has successfully implemented EMS standard of ISO 14001:2015. We have developed animated videos on Energy Conservation Tips which are available on the Company's website and social media webpage like Facebook. The Company, as a part of contribution to energy conservation, has installed Solar Power Plants at CGS offices situated at Wadala, Mahape and Taloja and they are commissioned and successfully catering to the electrical lighting load of the office building.

Similarly, such Solar Power Plants installed at MGL offices at Ambernath, Thane and NMMT, Turbhe have been taken into operation.

Furthermore, the Company has initiated many online applications such as Online Permit System, Life Saving Rules Audit Module for the processes to conserve the environment by minimizing paper use.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/waste generated by the Company for the Financial Year 2017-18 are within the regulatory defined limits.

**7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

During the year 2017-18, there were no Show Cause / Legal Notices from CPCB / SPCB received at any of the MGL sites.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

Yes, MGL is a Member of:

1. Natural Gas Society
2. Bombay Chamber of Commerce and Industry
3. The Employers Federation of India
4. Federation of Indian Chambers Of Commerce

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company's Senior Management put forth our views through various forums on various ongoing issues concerning the CGD sector. They understand their responsibility while representing MGL in such associations/forums and engage in constructive dialogues and discussions and refrain from influencing public policy with vested interests.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.**

The Company has put in place a policy on Corporate Social Responsibility to guide its efforts on CSR initiatives. MGL being a responsible corporate has been contributing in social investments primarily in the areas of Education, Empowerment, Environment and Health Care. Some of the major CSR initiatives of the organization are detailed below:-

**Education**

- **MGL Unnati:-** Flagship CSR initiative of the Company mentors youths from socio-economically underprivileged communities and prepares them to appear for competitive engineering entrance examination. 30 students are being provided free of cost residential training to hone up their skills and prepare for engineering entrance examination.
- **MGL Muskaan:-** MGL has been supporting slum community in Turbhe in their quest for seeking better prospects for future generations by adopting a

community centre for various developmental initiatives. The initiatives include operating balwadi for toddlers which is an assurance to both the working parents about the positive engagement and development of their children. Support education classes, computer classes, personality development initiatives apart from nutritional support are also conducted. Health camps are conducted on regular basis. For the women, the centre is operating tailoring classes which also mobilizes orders from time to time. MGL also mentored children from slum communities through sports to evolve positive attitude and sensitize them against the negative social practices like gender discrepancy, substance abuse, drug addiction, etc.

- **Mini Science Centers:-** Science centers comprising of 66 table top models relating to various theories of science were installed in 2 schools. This is in addition to centers installed in 5 schools earlier. These are expected to supplement the classroom inputs and enable better understanding of theories.
- **Computer Laboratory:-** MGL has installed computer laboratories in 2 MCGM School. Apart from the infrastructure support, MGL has also been extending support of a computer instructor in the 2 schools.
- **Equipping primary and pre-primary section in Kherwadi Municipal School:-** The initiative also includes mobilization and awareness generation apart from strengthening the school management committee. The pre-primary and primary sections are aimed at employing the play way method of learning and early intervention to enhance literary skills amongst children.
- **Education Infrastructure:-** MGL has undertaken construction of classroom blocks in ZP School, Nagaon.
- **MGL Saksham:-** The initiative is being implemented in 30 schools of Mumbai and is planned as an education centric empowerment initiative of 10000 students (targeting mostly adolescent) with focus on various social, psychological and physical challenges that adolescent face. The activity revolved around remedial education and counseling of adolescent to enable them to reorient and realize their potential.

**Empowerment**

- **MGL Hunar:-** MGL Hunar is an employability initiative being implemented by MGL. Being implemented with various vocational training providers, the project provides training to youth on various trades like Gas Plumbing, Welding, Electrician and RAC Mechanic. MGL has also facilitated curriculum development on gas plumbing.

## Environment

- **Plantation:-** MGL has facilitated plantation of 500 saplings as a part of its green initiative.

## Health

- MGL has initiated community based drinking water projects in 3 tribal hamlets of Palghar District. Operated on solar power, the project enhances access to safe drinking water for the villagers and reduces the drudgery of women folk. The project is benefiting more than 100 household in the villages.
- **Up-gradation of Bai Jerbai Wadia Hospital for Children:-** MGL has also extended support towards up-gradation of Bai Jerbai Wadia Hospital for Children.
- **MGL Aarogya:-** MGL Aarogya is an initiative towards better health of the auto rickshaw drivers and taxi drivers of Mumbai, Thane urban and adjoining municipalities and the Raigad district. 24 camps were organized under the initiative which benefited more than 1250 auto rickshaw drivers and taxi drivers.
- **Swachh Bharat Abhiyan:-** MGL is firmly supporting the Swachh Bharat Abhiyaan. While Swachhta Oath is administered to all employees, the management also took up cleanliness drive in areas surrounding our offices. MGL has facilitated construction of toilet block in RZP School, Chowk, ZP School Nagaon and Children's Aid Society, Mankhurd as a part of its commitment to Swachhta Bharat Abhiyan. In addition, MGL has also extended service of 2 mobile toilets to Uran Nagar Parishad. Various programs are organized by MGL under various CSR interventions for raising awareness of individuals on the critical issue of hygiene and its relevance.

- A mobile medical clinic was donated by Mahanagar Gas Limited to a charitable trust for organization of medical camps in the slums of Mumbai.

## 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

To effectively manage, monitor and implement CSR initiatives of the Company and in terms of provisions of Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. Most of the program is undertaken through an external NGO. However, MGL has a dedicated CSR department which continuously monitors the progress of CSR activities. The projects are also regularly reviewed by Senior Management including the Corporate Social Responsibility (CSR) Committee and the Board of Directors. A detailed report on CSR initiatives forms part of Director's Report to the Annual Report and may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/annual-reports.aspx>.

## 3. Have you done any impact assessment of your initiative?

The Company regularly monitors and conducts assessment of impact of the CSR initiatives undertaken on an ongoing basis, with the help of third party agency. The MGL's CSR team also regularly visits the project for assessment of progress and to find the efficacy of the programme. All the partners submit monthly and quarterly progress and financial reports also, which assists us in monitoring of the interventions. A third party agency (Tata Institute of Social Sciences - TISS) has been appointed by Mahanagar Gas Limited for monitoring and evaluation of CSR projects of the Company. TISS has done a similar study in the past also.

## 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

₹ 294.27 Lakhs were spent during the financial year 2017-18. Details of some of the key projects undertaken are as under:-

SL. NO.	Initiative(s)	Amount Spent (₹ in Lakhs)
1	Health and Sanitation Initiatives including expenses towards 'Swachh Bharat Abhiyaan'	56.07
2	Education initiatives	190.07
3	Employability / Skill Enhancement interventions	24.99
4	Environment initiative including animal welfare	1.45
5	Others	21.69
	<b>Total</b>	<b>294.27</b>

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

MGL employs Result Based Management approach towards CSR. The entire approach is process driven wherein focus is laid on need assessment at the inception. MGL focuses to invest in need based projects.

Ensuring access to safe water has become a herculean challenge in recent times. The world is facing a severe water crisis. The brunt of water crisis in India is often borne by the women folk. Untiringly, these women fetch water from nearest source for domestic consumption. Surprisingly, many villages of Palghar district – a stone through distance from the financial capital of the nation has a similar story to narrate.

Mahanagar Gas Limited in partnerships with few local charitable organizations initiated 'Nal Paani Yojana'; an initiative designed with the objective of ensuring access to safe drinking water. The project is already dispensing water in 3 tribal hamlets benefitting nearly 120 households and 800 souls. MGL has also sanctioned extension of this project to 2 more tribal hamlets to benefit 175 households and more than 775 souls.

The project uses solar / electric operated pumps to pull water from wells – dug up near the foothills. The water is stored in a tank installed by the project. Water dispensing posts have been developed at various locations within the village. An operator selected from the community is mandated to operate the system – generally twice a day. Each household is contributing a sum of ₹50/- per month which is used for salary of operator, maintenance and generating corpus for future maintenance needs. The project also supplies water to the village school. The water has been tested for contamination and a filter has been installed to ensure dispensing of safe water.

Further, employees of MGL also regularly participate in the CSR projects implemented by the Company. MGL has rolled out a scheme on Employee Volunteerism which enables an employee to participate in CSR projects implemented by the Company on a regular basis. Under the scheme, the employees also interact with stakeholders / beneficiaries and give feedback for improvement of the project. The success of

project is also measured by the appointed third party agency. The findings of the third party agency is presented to CSR Committee for future course of action.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints / consumer cases is pending, as at the end of the financial year?**

The details of complaints are given in Principle 1 of this report.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

MGL does not deal with any physical product, however, the Company displays the natural gas information prominently at all its CNG Stations and also on the light commercial vehicles and the heavy commercial vehicles carrying the CNG cascades from CGS to various CNG Stations. Adherence to all laws pertaining to product handling, branding, distribution is of utmost significance to the Company, and MGL ensures full compliance to these. The PNG Bill issued to consumers contains information regarding safety and other information related to PNG.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last financial year.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

We continuously interact with our stakeholders and engage with our customers across various platforms. We carry Customer Satisfaction Surveys on a yearly basis by engaging a third party agency basis across CNG and PNG Customers.

# Report on Corporate Governance

The Board of Directors of Mahanagar Gas Limited (“MGL”) present the Report on Corporate Governance for the year ended March 31, 2018.

## 1. Company’s philosophy on Code of Governance:

Mahanagar Gas Limited considers strong Corporate Governance to be a critical element of the overall performance of the Company and a contributor to superior performance and achieving best outcomes for all its stakeholders including shareholders, customers, employees, suppliers, government and regulatory agencies and the wider community. Your Company firmly believes that, Corporate Governance is a continuing process beyond the scope of mere legislation. Accordingly, policies and processes are in place to establish, shape and maintain appropriate Governance standards and behaviors throughout the Company, consistent with this philosophy.

Your Company is committed to the highest standards of social and environmental responsibility and ethical conduct. This is good for our customers, our shareholders and our Company. The Company is of the opinion that high standards of Corporate Governance are achieved when individual directors and the board as a whole acts ethically and in a manner consistent with the values of the business. The Board takes appropriate steps to protect and enhance the value of the assets of the MGL in the best interest of the Company and its shareholders.

Good governance requires structures and behavior that promote good relations through effective communications between the Company and their shareholders. Your Company has continually enhanced this relationship by having an effective communication with investors including email for efficient distribution of shareholder documents and providing shareholders sufficient time and details to enable them to participate in decisions in the Shareholders Meeting.

Your Company encourages Board to take the lead in embedding sound corporate governance practices that are appropriate considering the size and scale of the organization. This includes best practices that have a positive impact on relationships with customers, shareholders and stakeholders. Your Company has a rigorous process for ensuring the quality and integrity of financial statements including their relevance, faithful representation, verifiability, comparability and timeliness. With this vision, your Company aims for financial reports that are clear, concise and effective, while meeting the requirements of financial reporting standards.

## 2. Management Initiatives for Compliance

Your Company has established a Compliance tool as a part of its transformation agenda to effectively monitor and implement various compliances within MGL which are applicable for the time being in force.

## 3. Board of Directors:

### a. Composition and Category of Board of Directors:

The Board of MGL comprises of combination of Executive, Non-Executive and Independent Directors. The Independent Directors on the Board are senior, proficient and exceedingly esteemed individuals having vast experience in their respective fields, which brings an ideal blend of professionalism, knowledge, experience and perspectives to the table.

As on March 31, 2018, your Company has 9 Directors, including one woman Director as tabled below:

Category	No. of Directors
Executive Director	2
Non - Executive Non Independent Director	3
Non - Executive Independent Director	4 (One Woman Director)

Due to expiry of tenure, Mr. Jainendar Kumar Jain, Independent Director ceased to be director w.e.f March 04, 2018 and the Company appointed Mr. Premesh Kumar Jain as an Independent Director (Additional Director) w.e.f April 09, 2018.

The composition of the Board is in conformity with provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 149 of the Companies Act, 2013. The Board of Directors is chaired by a Non-Executive / Promoter Chairman and has an optimum combination of Executive, Non-Executive and Independent Directors.

Details of composition of Board, category and details of other Directorships, Chairmanships and the Committee positions as on March 31, 2018 are mentioned herein below:

Sr. No.	Name of the Director	Category	*Other Directorships	**No. of committee positions held in other Companies	
				Chairmanships	Memberships
1.	Mr. Akhil Mehrotra	Chairman	-	-	-
2.	Mr. Rajeev Mathur	Managing Director	-	-	-
3.	Mr. Goutam Ghosh	Whole-Time Director	-	-	-
4.	Mr. Virendra Nath Datt	Non-Executive (Non- Independent Director)	-	-	-
5.	Mr. Sunil Porwal	Non-Executive (Non- Independent Director)	7	-	1
6.	Mr. Santosh Kumar	Non-Executive (Independent Director)	1	-	-
7.	Mr. Arun Balakrishnan	Non-Executive (Independent Director)	5	4	2
8.	Mr. Raj Kishore Tewari	Non-Executive (Independent Director)	1	-	-
9.	Mrs. Radhika Haribhakti	Non-Executive (Independent Director)	6	-	6

**Note:**

\*Excluding Directorship held in MGL, Private Limited Companies, Foreign Companies and Section 8 Companies.

\*\*In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies have been considered.

**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.

**b. Board Meetings:**

The Company is governed by a Board of Directors, which has responsibility for strategic leadership and control of the Company to maximize shareholder value. The Board brings a range and balance of relevant attributes among its members. This includes consideration of gender, ethnicity, cultural background, age and specific relevant skills. The Board has constituted various committees to enhance effectiveness through closer scrutiny of issues and more efficient decision making. Board Committees focuses on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters in their purview.

The Board Meetings are scheduled in advance in order to provide sufficient time to Board Members. The Agenda papers and other relevant documents are circulated to Directors well in advance

before the meeting. The Agenda items are concise, clear and are informative in nature so as to give correct and fair amount of information. The significant and key decisions are taken after due discussion and deliberations amongst the Board members and it is ensured that the pertinent information prescribed to be provided under the SEBI LODR Regulations, 2015 along with such other information, as may be deemed necessary for effective decision making, is presented to the Board.

Apart from the Board of Directors and Company Secretary, the Chief Financial Officer is usually invited to attend all the Board Meetings. Other Head of Functions / Head of Departments also participate in the respective Board and Committee Meetings as and when essential, to provide additional information or make presentation to the particular function or department. Presentations on quarterly and annual operating and financial performance of the Company are made to the Board.

Post Board and Committee Meetings, Minutes are prepared and circulated to the Board and Committee Members and also to the concerned departments for their inputs and necessary action on the comments received by the Board and Committee Members. Action Taken Report(ATR)also is part of the Board and Committee Meetings.

## Number of Board Meetings:

During the financial year 2017-2018, 6 (six) Board Meetings were held, the details are as mentioned below:

Date of Board Meeting	Total Strength of the Directors	No. of Directors present at the meeting
May 26, 2017	9	8
August 09, 2017	10	8
September 25, 2017	10	9
November 08, 2017	9	7
November 20, 2017	9	8
February 09, 2018	10	9

The gap between any two meetings was not more than one hundred and twenty days, as stipulated under Listing Regulations.

In the report, the abbreviations below, wherever they appear, denote the following:

Y	:	Present for the meeting
N	:	Absent for the meeting
NA	:	Not Applicable being not a director at the time of meeting / Not Applicable being not a member of the Committee at the time of meeting

The details of attendance of the Directors at the Board Meetings, last Annual General Meeting (AGM) held during the Financial Year 2017-18 is as follows:-

Name of the Director	Board Meeting						AGM held on September 25, 2017
	May 26, 2017	August 09, 2017	September 25, 2017	November 08, 2017	November 20, 2017	February 09, 2018	
Dr. Ashutosh Karnatak <sup>1</sup>	Y	NA	NA	NA	NA	NA	NA
Mr. Akhil Mehrotra	Y	Y	Y	Y	Y	Y	Y
Mr. Rajeev Mathur <sup>2</sup>	Y	Y	Y	Y	Y	Y	Y
Ms. Susmita Sengupta <sup>3</sup>	Y	Y	Y	NA	NA	NA	Y
Mr. Goutam Ghosh <sup>4</sup>	NA	NA	NA	NA	NA	Y	NA
Mr. Apurva Chandra <sup>5</sup>	NA	NA	NA	NA	NA	NA	NA
Mr. Sunil Porwal <sup>6</sup>	NA	N	N	N	N	N	N
Mr. Jainendar Kumar Jain <sup>7</sup>	N	N	Y	Y	Y	Y	N
Mr. Santosh Kumar	Y	Y	Y	Y	Y	Y	Y
Mr. Arun Balakrishnan	Y	Y	Y	Y	Y	Y	Y
Mr. Raj Kishore Tewari <sup>8</sup>	Y	Y	Y	Y	Y	Y	Y
Mrs. Radhika Haribhakti	Y	Y	Y	N	Y	Y	Y

### Note:

- 1) Dr. Ashutosh Karnatak ceased to be Director w.e.f May 27, 2017.
- 2) Mr. Rajeev Mathur re-appointed as Managing Director w.e.f September 29, 2017.
- 3) Ms. Susmita Sengupta ceased to be Director w.e.f November 06, 2017.
- 4) Mr. Goutam Ghosh appointed as a Director w.e.f November 20, 2017.
- 5) Mr. Apurva Chandra ceased to be Director w.e.f May 23, 2017.
- 6) Mr. Sunil Porwal appointed as a Director w.e.f May 26, 2017.
- 7) Mr. Jainendar Kumar Jain ceased to be Director w.e.f March 04, 2018.
- 8) Mr. Raj Kishore Tewari re-appointed as Additional & Independent Director w.e.f March 05, 2018.

### Relationship between the Directors:

There is no relationship amongst any of the Directors of the Company.

### Shareholding of Non-Executive Directors:

None of the Non-Executive Directors holds any equity shares / convertible instruments in the Company.

**Sitting fees:**

The Non-Executive Independent Directors are paid remuneration by way of sitting fees as per the provisions of Articles of Association of your Company and the Companies Act, 2013. During the year under review, the details of sitting fees paid to the Directors are as follows:

(₹ in Lakhs)

Sr. No.	Name of the Director	Number of Meetings Attended						Amount Paid as sitting fees for attending the Board meeting @ ₹ 40,000 per Board meeting and meeting of Committee @ ₹ 32500.*
		Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee	Performance Review Board Committee	
	Total Meetings	6	4	5	2	0	8	-
1	Mr. Jainendar Kumar Jain	4	2	NA	NA	NA	NA	2.25
2	Mr. Santosh Kumar	6	4	5	NA	NA	8	7.30
3	Mr. Arun Balakrishnan	6	4	5	NA	NA	NA	5.07
4	Mr. Raj Kishore Tewari	6	4	NA	1	NA	4	4.85
5	Mrs. Radhika Haribhakti	5	2	NA	2	NA	3	4.02
	<b>Total</b>							<b>23.49</b>

\*The sitting fees were revised for Board and Committee meeting vide Board resolution passed on August 09, 2017, earlier it was ₹ 30,000 and ₹ 25000 for Board and Committee meeting respectively.

**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 2017 -18.

**Remuneration to Executive Directors of the Company:**

Payment of remuneration to Executive Directors (i.e. Managing Director & Whole-Time Director designated as Technical Director) is approved by the Board and approval of the members of the Company will be approved in the ensuing Annual General Meeting, as per applicable

provisions of the Act. The details of remuneration paid to Executive Directors is disclosed in the Directors' Report of the Company.

**Commission to Non-Executive Independent Directors:**

Apart from Sitting Fees and reimbursement of expenses for attending 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 allocated 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.

Following are the details of Commission paid to the following Independent Directors for the Financial Year 2016- 2017:

(₹ in Lakhs)

Sr. No	Name of the Director	Number of Board meetings attended	Amount payable	Chairmanship held for which Committee meeting										Total Amount payable
				Audit	Amount payable	NRC	Amount payable	Corporate Social Responsibility	Amount payable	PRBC	Amount payable	IPO	Amount payable	
1	Mr. Jainendar Kumar Jain	5	3.00	5	0.50	-	0.00	-	0.00	-	0.00	3	0.30	3.80
2	Dr. Basudeb Sen	3	1.50	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	1.50
3	Mr. Santosh Kumar	6	3.00	-	0.00	-	0.00	1	0.10	11	1.10	-	0.00	4.20
4	Mr. Arun Balakrishnan	6	3.00	1	0.10	3	0.30	-	0.00	-	0.00	-	0.00	3.40
5	Mr. Raj Kishore Tewari	6	3.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	3.00
6	Mrs. Radhika Haribhakti	1	0.50	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	0.50
	<b>TOTAL</b>		<b>14.00</b>		<b>0.60</b>		<b>0.30</b>		<b>0.10</b>		<b>1.10</b>		<b>0.30</b>	<b>16.40</b>

## Notes:

1. Total 6 (six) Board Meetings were held during the Financial Year 2016-17.
2. The above calculations have been made, as per the method detailed below:
  - (i) If the attendance in the Board Meeting is 80% or more -  
No. of Meetings HELD X ₹50,000/-
  - (ii) If the attendance in the Board Meeting is less than 80% -  
No. of meetings ATTENDED X ₹50,000/-
3. Additional payment of ₹10,000/- payable for chairing Committee meetings.
4. The total amount payable to each Non executive Independent Director is subject to the maximum limit of ₹5 Lakhs.

The Commission to be paid to Non-Executive Independent Directors for the financial year 2017-18 shall be approved in the financial year 2018-19 and shall be disclosed in the Report on Corporate Governance pertaining to F.Y. 2018-19.

### Selection of New Directors and Board Membership:

A formal and transparent selection and nomination process is critical to gain the confidence and trust of all stakeholders, to improve the understanding and efficiency of the processes in practice and is essential to improving the Board effectiveness. The task for selection and nomination is delegated to the Nomination and Remuneration Committee which is responsible for making recommendation to the Board on all Board appointments.

## 5. Committees of the Board of Directors:

The Committees of the Board play a vital role in the governance structure of your Company. The Board Committees are represented by a combination of Executive, Non-Executive and Independent Directors. The terms of reference of these committees approved by the Board are in line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The Board supervises the execution of its responsibilities by the Committees. Minutes of all the Board Committees are placed before the Board for noting.

Currently, the Board has constituted the below mentioned committees:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders Relationship Committee;
- d) Corporate Social Responsibility Committee; and
- e) Performance Review Board committee.

Mr. Alok Mishra, Company Secretary & Compliance Officer of your Company, acts as Secretary of all the Committees of the Board.

### a. Audit Committee:

Your Company has a qualified and independent Audit Committee, which acts as a link between management, the statutory and internal auditors and the Board. Its composition, powers, role and terms of reference are in accordance with the applicable provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. All the members of the Audit Committee are financially literate and bring expertise in the fields of Finance and Taxation.

### Composition and attendance during the financial year:

#### Composition:

The Audit Committee as on March 31, 2018, comprises of 6 (six) Non-Executive Directors as its members out of which 4 (four) are Independent Directors. Managing Director and Whole Time Director shall be the Permanent Invitees in the Committee. The details of members are as follows:

Name of the Member	Category
Mr. Raj Kishore Tewari	Independent & Non-Executive Director (Chairman)
Mr. Arun Balakrishnan	Independent & Non-Executive Director (Member)
Mr. Santosh Kumar	Independent & Non-Executive Director (Member)
Mrs. Radhika Haribhakti	Independent & Non-Executive Director (Member)
Mr. Virendra Nath Datt	Non Independent & Non-Executive Director (Member)
Mr. Akhil Mehrotra	Non Independent & Non-Executive Director (Member)

#### Note:-

1. Dr. Ashutosh Karnatak who ceased to be Director w.e.f May 27, 2017 was Member of Audit Committee.
2. Mr. Virendra Nath Datt was appointed as Member of Audit Committee w.e.f July 20, 2017.
3. Mrs. Radhika Haribhakti was appointed as Member of Audit Committee w.e.f July 20, 2017.
4. Mr. Jainendar Kumar Jain who ceased to be Director w.e.f March 04, 2018 was Chairman of Audit Committee.
5. Mr. Raj Kishore Tewari was appointed as Chairman of Audit Committee w.e.f March 05, 2018.

**Meetings and attendance:**

During the year under review, the Audit Committee met 4 (four) times to deliberate on various matters. The required quorum was present in all such meetings.

Attendance of the members of the Audit Committee Meeting held during the year under review is as follows:

Name of the Member	Audit Committee Meeting			
	May 25, 2017	August 09, 2017	November 07, 2017	February 08, 2018
Mr. Raj Kishore Tewari	Y	Y	Y	Y
Mr. Jainendar Kumar Jain	N	N	Y	Y
Mr. Arun Balakrishnan	Y	Y	Y	Y
Mr. Santosh Kumar	Y	Y	Y	Y
Dr. Ashutosh Karnatak	Y	NA	NA	NA
Mr. Akhil Mehrotra	Y	Y	Y	Y
Mr. Virendra Nath Datt	NA	Y	Y	Y
Mrs. Radhika Haribhakti	NA	Y	N	Y

**Power, Terms of Reference and role of Audit Committee:****Powers of Audit Committee:**

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

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- Selecting and appointing professional advisors and obtaining advice from external sources including for forensic or other investigations, if necessary;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 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, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;
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;
- (g) Modified opinion(s) in the draft audit report;
- (h) The going-concern assumption;
- (i) Compliance with accounting standards;
- (j) Contingent liabilities;
- (k) Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013.
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 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. Examination of the financial statement and the auditor's report thereon;
  15. Approval or any subsequent modification of transactions of the company with related parties, provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  16. Lay down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
  17. The Audit Committee to satisfy itself regarding the need for omnibus approval and that such approval is in the interest of the Company;
  18. Scrutiny of inter-corporate loans and investments;
  19. Valuation of undertakings or assets of the company, wherever it is necessary;
  20. Evaluation of internal financial controls and risk management systems;
  21. Reviewing, with the management, performance of statutory, cost and internal auditors, adequacy of the internal control systems;
  22. 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;
  23. Discussion with internal auditors of any significant findings and follow up there on;
  24. 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;
  25. 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;
  26. 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;
  27. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor;
  28. 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;
  29. To review the functioning of the Whistle Blower mechanism;
  30. 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, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Review of information by 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;
- 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 every quarter along with the compliance report on Corporate Governance;
- v. On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approvals given;
- vi. 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;
- vii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- viii. Internal audit reports relating to internal control weaknesses; and,
- ix. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- x. statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

Establishing and monitoring of a Vigil Mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide direct access to the Chairperson of the Audit Committee in exceptional cases where deemed necessary.

#### b. Nomination and Remuneration Committee (NRC):

The composition, powers, role and terms of reference of NRC are in line with applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The NRC is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, KMP and other employees.

#### Composition and attendance during the financial year:

##### Composition:

The Nomination and Remuneration Committee as on March 31, 2018 comprises of 4 (four) Non-Executive Directors as its members, out of which 2 (two) are Independent Directors. Managing Director and Whole Time Director are Permanent Invitees in the Committee. The details of members are as follows:

Name of the Member	Category
Mr. Arun Balakrishnan	Independent & Non-Executive Director (Chairman)
Mr. Santosh Kumar	Independent & Non-Executive Director (Member)
Mr. Akhil Mehrotra	Non Independent & Non-Executive Director (Member)
Mr. Virendra Nath Datt	Non Independent & Non-Executive Director (Member)

##### Note:-

- 1) Dr. Ashutosh Karnatak who ceased to be Director w.e.f May 27, 2017 was Member of Nomination and Remuneration Committee.
- 2) Mr. Virendra Nath Datt was appointed as Member of Nomination and Remuneration Committee w.e.f July 20, 2017.

#### Meetings and attendance:

During the year under review, the NRC met 5 (five) times to deliberate on various matters.

Attendance of the members of the Nomination and Remuneration Committee Meeting held during the year under review is as follows:

Name of the Member	Nomination and Remuneration Committee Meeting				
	May 25, 2017	September 25, 2017	November 07, 2017	November 20, 2017	February 08, 2018
Mr. Arun Balakrishnan	Y	Y	Y	Y	Y
Dr. Ashutosh Karnatak	Y	NA	NA	NA	NA
Mr. Santosh Kumar	Y	Y	Y	Y	Y
Mr. Akhil Mehrotra	Y	Y	Y	Y	Y
Mr. Virendra Nath Datt	NA	Y	Y	Y	Y

### Terms of Reference of the Committee:

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

1. 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;
2. 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;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. 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;
6. Determination of extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. 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;
8. Determine on an annual basis, desired Board qualifications, expertise and characteristics and conducting 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;
9. Evaluate and recommend termination of membership of individual Directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
10. To recommend to the Board regarding the appointment, promotion and removal of the senior management personnel at such level/s;
11. To review, amend, modify and approve all other Human Resources related Policies of the Company from time to time;
12. To review and recommend to the Board Manpower Plan / budget, sanction of new senior management positions from time to time in future;
13. To review and recommend to the Board matters relating to revision of compensation / salary and long term wage settlements;
14. To review with the Management, all HR related issues from time to time so as to maintain harmonious employer-employee relations;
15. To periodically review and re-examine the Terms of Reference and make recommendations to the Board for any proposed changes;
16. In performing its responsibilities, the Committee shall have authority to obtain advice, reports or opinions from internal or external counsel and expert advisors;
17. Ensuring proper induction program for new Directors, KMP and Senior Management and reviewing its effectiveness; ensuring that on appointment receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
18. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
19. Consider and determine the Nomination and Remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
20. The Committee should ensure that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

### Performance evaluation criteria of the Board, its Committees and Individual Directors:

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations.

The Companies (Amendment) Act, 2017 requires that instead of carrying out evaluation of every Director's performance, the NRC should specify a methodology for effective evaluation of performance of the Board, its Committees and individual Directors. The evaluation could be either carried out by the Board, the NRC or an independent external agency and the NRC would review the implementation and compliance of the evaluation system. Accordingly, Mr. Arun Balakrishnan, who was appointed as the Lead Director and being the Chairman of NRC, discussed and solicited the views of all the Members of the Board for the purpose of performance evaluation of all the individual Directors (including Independent, Non-Independent and Chairperson), Board and Board Committees for the financial year 2017-2018.

The Board carried out an annual performance evaluation of its own performance, all the Directors individually as well as the evaluation of working of the Committees of the Board. The Independent Directors in its separate meeting prepared a report on performance evaluation of Individual Directors (including Independent, Non-Independent and Chairperson), Board as a whole and Board Committees and submitted it to the Chairman for his perusal.

### c. Stakeholders Relationship Committee (SRC):

The Stakeholders Relationship Committee was constituted pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 (1) of the SEBI Listing Regulations for considering and resolving the grievances of the security holders of the Company including complaint related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend etc.

The composition of Stakeholders Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations.

### Composition and attendance during the financial year:

#### Composition:

The Stakeholders Relationship Committee as on March 31, 2018, comprises of following 3 (three) Members of the Board:

Name of the Member	Category
Mr. Raj Kishore Tewari	Non-Executive Independent Director (Chairman)
Mr. Rajeev Mathur	Managing Director (Member)
Mr. Goutam Ghosh	Whole-Time Director (Member)

#### Note: -

- Mr. Raj Kishore Tewari was appointed as Chairman of Stakeholders Relationship Committee in place of Mr. Jainendar Kumar Jain w.e.f July 20, 2017.
- Ms. Susmita Sengupta who ceased to be Director w.e.f November 06, 2017 was Member of Stakeholders Relationship Committee.
- Mr. Goutam Ghosh appointed as Whole-time Director designated as Technical Director was appointed as Member of Stakeholders Relationship Committee w.e.f November 20, 2017.

Mr. Alok Mishra, Company Secretary, being the Compliance Officer of the Company, is responsible for redressal of Shareholder Grievances.

#### Meetings and attendance:

No meeting of the Stakeholders Relationship Committee was held during the period under review.

#### Terms of Reference of the Committee:

The Stakeholder Relationship Committee shall be responsible to resolve grievances and complaints of all the Security Holders. The functions of the Stakeholder Relationship Committee shall 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 Certificate, Duplicate Share or Debenture Certificate in lieu of lost/torn/mutilated /defaced certificates;
  - Request relating to dematerialisation and rematerialisation of shares;
  - 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;
  - Complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- Other matters related to or arising out of shareholders'/ investors services including preparation and approval of periodical reports.

#### Number of shareholders' complaints received during the year:

During the year under review, your Company received total 18 (eighteen) complaints from the Shareholders. Details of the same thereof as on March 31, 2018 are as follows:

Complaints outstanding as on April 01, 2017	Nil
Complaints received during the year ended March 31, 2018	18
Complaints resolved during the year ended March 31, 2018	18
Complaints pending as on March 31, 2018	Nil

All the complaints received during the year were resolved to the satisfaction of the corresponding Shareholders.

#### d. Corporate Social Responsibility Committee (CSR):

The composition, powers, role and terms of reference of CSR Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013.

#### Composition and attendance during the financial year:

##### Composition:

The Corporate Social Responsibility Committee comprises, as on March 31, 2018, of 4 (four) members, out of which 2 (two) are Independent and other (2) two are Executive Directors. The details of members are as follow:

Name of the Member	Category
Mrs. Radhika Haribhakti	Non-Executive Independent Director (Chairperson)
Mr. Raj Kishore Tewari	Non-Executive Independent Director (Member)
Mr. Rajeev Mathur	Managing Director (Member)
Mr. Goutam Ghosh	Whole-Time Director (Member)

##### Note:

- 1) Mr. Raj Kishore Tewari was appointed as a Member of Corporate Social Responsibility Committee w.e.f July 20, 2017.
- 2) Ms. Susmita Sengupta who ceased to be Director w.e.f November 06, 2017 was Member of Corporate Social Responsibility Committee.
- 3) Mr. Goutam Ghosh appointed as Whole-time Director designated as Technical Director was appointed as Member of Corporate Social Responsibility Committee w.e.f November 20, 2017.

##### Meetings and attendance:

During the year under review, the CSR Committee met 2 (two) times to deliberate on various matters.

Attendance of the members of the Corporate and Social Responsibility Committee Meeting held during the year under review is as follows:

Name of the Member	CSR Committee Meeting	
	May 25, 2017	January 03, 2018
Mrs. Radhika Haribhakti	Y	Y
Mr. Raj Kishore Tewari	NA	Y
Mr. Rajeev Mathur	Y	Y
Ms. Susmita Sengupta	Y	NA
Mr. Goutam Ghosh	NA	Y

#### Terms of Reference of the CSR Committee:

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

1. To formulate and recommend to the Board a Corporate Social Responsibility Policy and subsequent amendments as required from time to time;
2. 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;
3. 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;
4. To recommend the annual budget for the Corporate Social Responsibility activities of the Company in compliance with the relevant statutory provisions;
5. 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;
6. To explain to the Board of Directors of the Company, if the Company fails to spend the prescribed amount within the financial year;
7. To provide updates to the Board at regular interval of six months on the Corporate Social Responsibility activities;
8. Subject to these terms of reference, the Corporate Social Responsibility Committee shall have the power to regulate its own proceedings;
9. To review and recommend the CSR plan for the ensuing financial year to the Board of Directors;
10. To approve any project that may come during the year and which is not covered in the CSR Plan up to such an amount as may be prescribed by the Board of Directors from time to time;
11. Such other functions as may be prescribed.

**e. Performance Review Board Committee (PRBC):****Composition and attendance during the financial year:****Composition:**

The Performance Review Board Committee as on March 31, 2018, comprises of following 6 (six) Members of the Board:

Name of the Member	Category
Mr. Santosh Kumar	Non-Executive Independent Director (Chairman)
Mrs. Radhika Haribhakti	Non-Executive Independent Director (Member)
Mr. Virendra Nath Datt	Non-Executive Non Independent Director (Member)
Mr. Akhil Mehrotra	Non-Executive Non Independent Director (Member)
Mr. Rajeev Mathur	Managing Director (Member)
Mr. Goutam Ghosh	Whole-Time Director (Member)

**Note:**

- Mrs. Radhika Haribhakti replaced Mr. Raj Kishore Tewari as Member of the Performance Review Board Committee w.e.f July 20, 2017.
- Mr. Virendra Nath Datt was appointed as a Member of the Performance Review Board Committee reconstituted w.e.f July 20, 2017.
- Ms. Susmita Sengupta was appointed as Member of Performance Review Board Committee w.e.f July 20, 2017 and ceased to be Member post her resignation w.e.f November 06, 2017.
- Mr. Goutam Ghosh appointed as Whole-time Director designated as Technical Director was appointed as Member of Performance Review Board Committee w.e.f November 20, 2017.

**Meetings and attendance:**

During the year under review, the Performance Review Board Committee met 8 (eight) times, to deliberate on various matters.

The details of attendance of the Members of the Performance Review Board Committee Meeting held during the year under review is as follows:

Date of Performance Review Board Committee Meeting	Name of the Director							
	Mr. Santosh Kumar	Mr. Raj Kishore Tewari	Mr. Akhil Mehrotra	Mr. Rajeev Mathur	Ms. Susmita Sengupta	Mrs. Radhika Haribhakti	Mr. Virendra Nath Datt	Mr. Goutam Ghosh
April 04, 2017	Y	Y	Y	Y	NA	NA	NA	NA
April 28, 2017	Y	Y	Y	Y	NA	NA	NA	NA
May 25, 2017	Y	Y	Y	Y	NA	NA	NA	NA
June 30, 2017	Y	Y	Y	Y	NA	NA	NA	NA
July 31, 2017	Y	NA	Y	Y	Y	Y	Y	NA
September 25, 2017	Y	NA	Y	Y	Y	Y	Y	NA
December 20, 2017	Y	NA	Y	Y	Y	N	Y	Y
February 09, 2018	Y	NA	Y	Y	Y	Y	Y	Y

**Terms of Reference of the Committee:****Powers of the Performance Review Board Committee:**

The Performance Review Board Committee shall have powers which shall include the following:

- To review and investigate any activity within its terms of reference;
- To seek information from any employee / executives / officers;
- To obtain advice from in house / outside person, if required;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

- To take necessary action against any of the employee of the company, who are directly and indirectly involved with activities being reviewed by the Committee.

**Review of information by Performance Review Board Committee:**

The Performance Review Board Committee shall review the following information with regard to actual achievement versus budgeted targets:

- Gas sales volume across all customer segments.
- Physical and financial performance.
- Customer conversions / connections for all segments (Domestic, Commercial, Industrial and CNG).

- (iv) CNG Outlets commissioned.
- (v) CNG Compression capacity.
- (vi) Steel and PE Pipeline network.
- (vii) Capex and Opex spent
- (viii) Profitability of the company.
- (ix) Planning and C&P Process for various activities.
- (x) Getting land for CNG stations.
- (xi) Health monitoring of contracts.
- (xii) Customer grievance status.
- (xiii) Any other matters, as the committee may deem fit.

**Terms of Reference and Role of the Performance Review Board Committee:**

The terms of reference and role of the Performance Review Board Committee in relation to the information / activity(ies) as mentioned in above para shall include the following:

- i) The Performance Review Board Committee may invite such number of the executives/officers of the company, as it considers appropriate to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives / officers of the Company;
- ii) Meetings of the Performance Review Board Committee shall be conducted in English and the Minutes thereof shall be recorded in writing in English;
- iii) The minutes of meetings of the Performance Review Board Committee shall be produced before the MGL Board on a regular interval;
- iv) The Performance Review Board Committee shall submit its report to the MGL Board periodically;

- v) The Committee shall review actual achievement versus budgeted targets;
- vi) The Committee shall review and note the variances, if any, in the actual versus budgeted;
- vii) The Committee shall review the comments and also ascertain or find out the reasons of variances, if any;
- viii) In case of variances or under achievement of physical targets, the Committee shall discuss the necessary remedial actions and provide advice and guidance on remedial actions;
- ix) The Committee shall review the physical performance report of the company on regular intervals;
- x) The Committee shall review the Customer Care management activities;
- xi) The Committee shall review the Asset Integrity management on regular intervals;
- xii) The Committee shall review the Key Performance Area (KPA) of concerned departments;
- xiii) Carrying out any other functions as mentioned herewith or as the MGL Board may advise the Committee from time to time.

**f. Separate meeting of Independent Directors:**

In accordance with the provisions of Schedule IV(Code for Independent Directors)of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors without the presence of Executive Directors or Management representatives was held on February 08, 2018, inter alia to discuss the performance of Non-Independent Directors and the Board as a whole and review of performance of Chairperson, taking into account the views of Executive Directors and Non-Executive Directors and assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 6. General Body Meetings:

### Annual General Meetings ("AGM"):

Details of the AGM(s) of your Company held in last 3 (three) years alongwith details of Special Resolutions, as set out in the respective Notices of such AGMs, as passed by the Shareholders are as follows:

Financial Year	Date & Time	Location	Particulars of Special Resolution(s) passed
2016-17	September 25, 2017 at 1100 Hours	IES Manik Sabhagriha, Bandra Reclamation, Bandra (West), Mumbai	1) To re-appoint Mr. J.K. Jain as an Independent Director of the Company.
2015-16	September 26, 2016 at 1030 Hours	IES Manik Sabhagriha, Bandra Reclamation, Bandra (West), Mumbai	1) To adopt new set of Articles of Association of the Company. 2) To re-appoint Mr. Santosh Kumar as an Independent Director of the Company. 3) To re-appoint Mr. Arun Balakrishnan as an Independent Director of the Company. 4) To pay Commission to Non-Executive Independent Directors.
2014-15	July 31, 2015 at 1230 Hours	Taj Lands End Hotel, Bandra (West), Mumbai	1) Approval of Material Related Party Transactions.

### Extra-Ordinary General Meeting:

No Extra-Ordinary General meeting of the Company was held during the Financial Year 2017-18.

### Postal Ballot:

During the year, no resolutions were passed by means of postal ballot.

### Disclosures:

#### a. Code of Conduct:

The Company has in place a comprehensive Code of Conduct (the Code) applicable to the Board and Senior Management Personnel. The Code of Conduct is formulated with a purpose to ensure good corporate governance and ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct has been put on the Company's website ([www.mahanagargas.com](http://www.mahanagargas.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

### Code of Conduct Declaration

As provided under the provisions of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended March 31, 2018.

Date: May 10, 2018  
Place: Mumbai

Sd/-  
(Rajeev Mathur)  
Managing Director

#### b. Familiarization Programme for the Directors:

Your Company has conducted Familiarization Programmes for all Directors including Independent Directors of the Company, which seek to provide significant insight into the business of the Company and to enable the Independent Directors to understand their roles, rights, responsibilities in the Company along with the nature of the Industry in which the Company operates and the business of the Company.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. Periodical updates on relevant statutory changes and judicial pronouncements encompassing important amendments are briefed to the Directors.

The details of the said Familiarization Programme are also available on the website of the Company i.e. [https://www.mahanagargas.com/UploadedFiles/\\_Familiarisation\\_Program\\_8edfa8520b.pdf](https://www.mahanagargas.com/UploadedFiles/_Familiarisation_Program_8edfa8520b.pdf)

#### c. Whistle Blower Policy/Vigil Mechanism:

Your Company has established a Vigil / Whistle Blower Mechanism which provides direct access to the Management and Audit Committee of the Board to all stakeholders to report concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and it is affirmed that no personnel have been denied access to the Audit Committee.

Also, your Company has "Policy for Prevention of Sexual Harassment at Workplace".

#### d. Disclosure on material significant related party transactions:

Related party transactions are disclosed in Notes to Accounts and Form AOC-2 forming part of this Annual Report. There are no material pecuniary relationships or transactions with the Non-Executive Directors.

All Related party Transactions entered into during the year under review were approved by Audit Committee and Board, from time to time as per the applicable provisions of the Act and SEBI Listing Regulations. The policy on related party transactions is uploaded on the website of the Company. The web link of the Policy is [www.mahanagargas.com](http://www.mahanagargas.com).

**e. Disclosure of Accounting Treatment:**

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

**f. Risk Management:**

The Company has a well-defined Risk Management Framework in place. The framework covers inherent business risks and appropriate measures to be taken by the Company. 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.

**g. Details of non-compliance:**

No penalty has been imposed by SEBI or the Stock Exchanges on matters relating to the capital market over the last three years. Your Company has listed its shares on the Stock Exchanges on July 01, 2016.

**h. Shareholders:**

According to the Articles of Association of your Company, one-third of the Directors retires by rotation and if eligible, seek re-appointment at the Annual General Meeting (AGM). Accordingly, Mr. Virendra Nath Datt, Non-Executive Director will retire in the ensuing Twenty Third AGM. The Board has recommended the re-appointment of the retiring Director i.e. Mr. Virendra Nath Datt in the ensuing Twenty Third AGM. The detailed profile of Mr. Virendra Nath Datt is provided in the Notice convening the ensuing Twenty Third AGM.

**i. CEO and CFO Certification:**

As required by the provisions of Regulation 17 (8) of SEBI Listing Regulations, the CEO and CFO Certification is provided in this Report.

**j. Details of compliance and Adoption / Non Adoption of the non-mandatory requirements for the year ended March 31, 2018:**

- I. Your Company complies with corporate governance requirements as specified under Listing Regulations.
- II. The Chairman of the Company is a Non-Executive Director.
- III. The Company publishes its results on its website at [www.mahanagargas.com](http://www.mahanagargas.com) which is accessible to the public at large. A half-year declaration of financial performance including summary of the significant events is presently not being sent separately to each household of each shareholder. Your Company's results for each quarter are published in the newspapers having a wide circulation.

IV. During the period under review, there is no audit qualification in the Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

V. The Company has separate position for Chairman and Managing Director.

VI. The Internal Auditor reports their findings to the Audit Committee of the Company.

**k. Shareholders Information:**

**l. Means of Communication:**

**Website:** The Company's website [www.mahanagargas.com](http://www.mahanagargas.com) contains a separate dedicated section 'INVESTOR' where shareholders information is available. The full Annual Report is also available on the website in a user friendly and downloadable form.

Official news/press release of the Company are uploaded on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com), from time to time and are also submitted with the Stock Exchanges simultaneously.

The schedule of Institutional Investors/Analysts Meeting and the presentation made to the institutional investors or to the analysts, are also uploaded on the website of the Company.

**Financial Results:** For easy reference of the Shareholders, the quarterly/half yearly/annual results, alongwith the Limited Review/Audit Report thereon, are made available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com). The quarterly/half yearly/annual results are generally published in 'Financial Express' and 'Loksatta' (a regional daily newspaper published from Mumbai), within the stipulated timelines. Aforesaid results are also filed with the concerned Stock Exchanges simultaneously so as to enable them to display such results on their website.

**Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information are circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.

**Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and is also available on the website of the Company at [www.mahanagargas.com](http://www.mahanagargas.com).

**II. Corporate Identity Number (CIN):**

The Company is registered with Registrar of Companies (ROC) in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40200MH1995PLC088133.

**III. Listing on Stock Exchanges and Stock Codes:**

Shares of the Company are currently listed on the following stock exchanges:

Name	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	539957
National Stock Exchange of India Limited	Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051	MGL

**IV. Payment of Annual Listing / Custody Fees:**

Annual Listing Fees for the Financial Year 2018-19 have been paid to both the Stock Exchanges, Annual Custody Fees have been paid to National Securities Depository Limited ("NSDL") and Central Depository (India) Services Limited ("CDSL") for the Financial Year 2018-19.

**V. General Details of the Company:**

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

**VI. Financial Year:**

Your Company follows "April to March" as the Financial Year and hence the Financial Year of your Company is April 01, 2017 to March 31, 2018.

**VII. Twenty Third Annual General Meeting of the Company:**

Day	: Monday
Date	: September 17, 2018
Time	: 11:00 a.m.
Venue	: IES Manik Sabhagriha, Bandra Reclamation, Bandra (West), Mumbai
Cut off-date for e-voting	: Monday, September 10, 2018

**VIII. Dates of Book Closure:**

Book Closure for Dividend will be from Tuesday September 11, 2018 to Monday September 17, 2018, both days inclusive.

**IX. Dividend Payment:**

Interim Dividend for the financial year 2017-2018 of ₹8/- per equity share was declared by the Board on February 09, 2018 and was paid to those members whose names were appearing in the Register of Members on February 21, 2018.

The Board has recommended final dividend of ₹11/- per equity share for Financial Year 2017-18. If approved by the members, final dividend will be paid to those members of the Company whose names would appear in the Register of Members as on Monday September 10, 2018.

**X. Company Secretary and Compliance Officer of the Company:**

Mr. Alok Mishra  
Company Secretary and Compliance Officer  
MGL House, G-33 Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai - 400 051  
Tel: +91(22)2652 8924  
Fax: +91(22)2652 8925  
Email: investorrelations@mahanagargas.com

The members may communicate investor's complaints to the Company Secretary on the above mentioned co-ordinates.

**XI. Unclaimed Dividend:**

As per the applicable provisions of the Companies Act, the Company is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of 7 (seven) years from the date they became due for payment.

Following are the details of the unclaimed dividend, if not claimed within the period of 7 years, then, the same will be transferred to the Investors Education and Protection fund (IEPF) in accordance with the schedule given below:

Financial Year	Date of declaration of dividend and type of dividend	Total Dividend (In ₹)	Unclaimed Dividend as on March 31, 2018	Due Date for transfer of unclaimed dividend to IEPF	Percentage of unclaimed dividend over Total Dividend
2017-18	February 09, 2018 -Interim Dividend	79,02,22,224.00	316,304.00	March 08, 2025	0.04
2016-17	September 25, 2017-Final	1,067,494,478.44	394,955.00	October 24, 2024	0.03
2016-17	February 11, 2017 -Interim Dividend	1,563,478,000.00	315,248.00	March 10, 2024	0.02
2015-16	September 26, 2016 - Final	776,351,042.00	634,410.00	October 25, 2023	0.08

## XII. Dematerialization of Shares:

The Company's Equity Shares have been dematerialized with the Central Depository Services (India) Limited (CDSL) and National Securities Depositories Limited (NSDL). The International Security Identification Number (ISIN) is INE002S01010.

As on March 31, 2018, 9,87,77,437 Equity Shares comprising of 99.99% of the Company's shares are held in dematerialized form.

## XIII. Share Transfer System:

Your Company has an appropriate Share Transfer system. The shares of the Company are traded in dematerialized form. Request for transfer of shares held in physical form can be lodged with the RTA of the Company and the same are generally processed within the stipulated period of the receipt of the documents, provided all the documents are in order.

RTA of the Company complies with all the procedural requirements for transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates.

Your Company obtains a half-yearly certificate from a Practicing Company Secretary certifying compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files the same with Stock Exchanges.

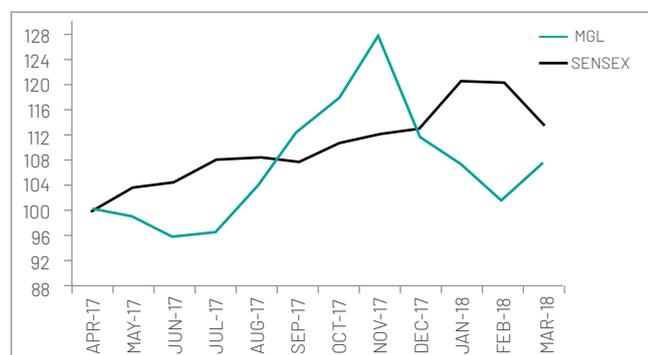
## Market Price Data:

The market price data of your Company's shares traded on the BSE and NSE during the Financial Year 2017-18 were as under:

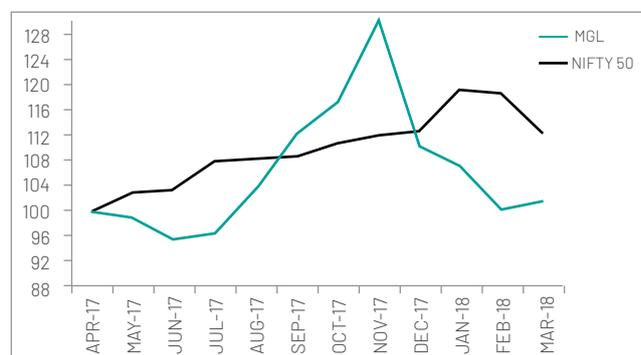
(Amount in ₹)

Month - Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April-2017	1053.20	879.90	1054.95	880.00
May-2017	1041.95	928.00	1042.55	928.00
June-2017	1006.30	951.05	1007.00	950.05
July-2017	1016.00	966.65	1017.00	929.00
August-2017	1088.45	921.25	1089.25	922.90
September-2017	1184.95	1038.50	1184.00	1037.05
October-2017	1240.70	1079.00	1238.45	1078.00
November-2017	1345.00	1063.00	1377.50	1060.50
December-2017	1174.90	1078.40	1163.00	1076.55
January-2018	1128.00	1004.40	1129.20	1002.25
February-2018	1070.00	874.55	1056.95	916.35
March-2018	1132.50	944.00	1070.90	943.40

The performance of the equity share price of the Company vis-à-vis the BSE SENSEX at BSE is as under:



The performance of the equity share price of the Company vis-à-vis the Nifty 50 at NSE is as under:



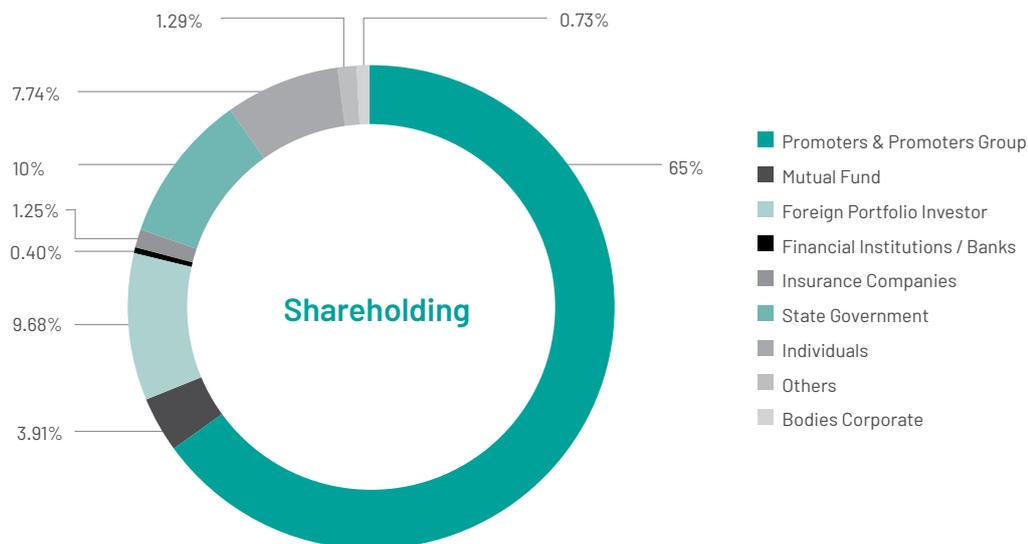
## i. Distribution of Shareholding as on March 31, 2018

Shareholding of nominal value	Shareholders	Percentage	Nominal Value of Equity Shares	Percentage holding
1 – 1000	109110	99.1918	7017235	7.1041
1001 – 2000	470	0.4273	674178	0.6825
2001 – 5000	210	0.1909	653500	0.6616
5001 – 10000	76	0.0691	543341	0.5501
10001 – 20000	35	0.0318	499870	0.5061
20001 – 30000	19	0.0173	464062	0.4968
30001 – 40000	10	0.0091	346651	0.3509
40001 – 50000	10	0.0091	450629	0.4562
50001 – 100000	24	0.0218	1600047	1.6198
100001 – *****	35	0.0318	86528265	87.5989
<b>Total</b>	<b>109999</b>	<b>100</b>	<b>98777780</b>	<b>100</b>

## ii. Shareholding pattern as on March 31, 2018

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares	Percentage Holding
1.	Promoters & Promoters Group	2	64,205,460	642,054,600	65.00
2.	Institutions				
	a) Mutual Fund	17	3,862,927	38,629,270	3.91
	b) Venture Capital Funds	-	-	-	-
	c) Alternate Investment Funds	-	-	-	-
	d) Foreign Venture Capital Investors	-	-	-	-
	e) Foreign Portfolio Investor	100	95,59,725	95,597,250	9.68
	f) Financial Institutions / Banks	7	3,99,507	3,995,070	0.40
	g) Insurance Companies	12	1,230,509	12,305,090	1.25
	h) Provident Funds/ Pension Funds	-	-	-	-
3.	Central Government/ State Government(s)/ President of India				
	(i) Governor of Maharashtra	1	9,877,778	98,777,780	10.00
4.	Non-Institutions				
	a) Individuals	101,458	75,59,269	75,592,690	7.65
	Individual shareholders holding nominal share capital in excess of ₹2 Lakhs.	3	92,997	929,970	0.09
	b) NBFCs registered with RBI	-	-	-	-
	c) Employee Trusts	-	-	-	-
	d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-
	e) Any Other (Specify)	-	-	-	-
	i) Trusts	9	4,04,077	4,040,770	0.41
	ii) Hindu Undivided Family	3867	3,12,642	3,126,420	0.32
	iii) Non Resident Indians (Non Repat)	451	77,120	7,71,200	0.08
	iv) Non Resident Indians (Repat)	1376	302,281	3,022,810	0.30
	v) Foreign Portfolio Investor (Individual)	1	40	400	0.00
	vi) Clearing Member	177	1,77,298	1,77,2980	0.18
	vii) Bodies Corporate	740	7,16,148	7,161,480	0.73
	<b>Total</b>	<b>108,221</b>	<b>98,777,778</b>	<b>987,777,780</b>	<b>100</b>

### Shareholding Pattern as on March 31, 2018



### iii. Top 10 shareholders as on March 31, 2018:

Sr. No	Name of the Shareholder	No. of Shares held	Percentage (%)
1	GAIL (India) Ltd	32102750	32.50
2	BG Asia Pacific Holdings Pte. Limited	32102710	32.50
3	Governor of Maharashtra	9877778	10.00
4	Schroder International Selection Fund Emerging Asia	2364765	2.39
5	Eastspring Investments India Equity Open Limited	999684	1.01
6	Stichting Depository APG Emerging Markets Equity Pool	994886	1.01
7	Somerset Small Mid Cap EM All Country Fund LLC	619373	0.63
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund	588000	0.60
9	UTI-Dividend Yield Fund	530291	0.54
10	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	475000	0.48

### iv. Registrar and Transfer Agents ("RTA"):

#### Link Intime India Pvt Ltd

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083  
Tel No: +91 22 49186000 Fax: +91 22 49186060

#### v. Plants of the Company with their Locations:

- City Gate Station, Opposite Anik Bus Depot, Sion, Mumbai - 400 022.
- City Gate Station, MIDC Mahape, Post-Koper Khairane, Navi Mumbai - 400 709.
- City Gate Station, Plot No : TAK-A, Ambernath Industrial Area, Ambernath - Badlapur Road, Village - Chikhaloli, Tal-Ambernath, District - Thane - 421 506.
- City Gate Station, Plot No: J-93/2, Taloja MIDC Area, Taloja, District - Raigad - 410 208.

# CEO - CFO Certification

To

**The Board of Directors  
Mahanagar Gas Limited**

- A. We have reviewed the Audited Financial Statements and the Cash Flow Statement of Mahanagar Gas Limited (the "Company") for the Financial Year ended on March 31, 2018 and 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 statement that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2018 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. 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 that we have taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- I. Significant changes in the Company's internal control over financial reporting during the Financial Year ended on March 31, 2018;
  - II. Significant changes in accounting policies, if any, during the Financial Year ended March 31, 2018 have been disclosed in the notes to the Financial Statements; and
  - III. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: May 21, 2018

Sd/-  
**Sunil M. Ranade**  
Chief Financial Officer

Sd/-  
**Rajeev Mathur**  
Managing Director

# Certificate on Corporate Governance

To,  
**Mahanagar Gas Limited**  
MGL House, Block No. G-33,  
Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051

We have examined the compliance of conditions of Corporate Governance by **Mahanagar Gas Limited** (hereinafter referred as "Company") for the year ended March 31, 2018 as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

Sd/-  
**Dipti Mehta**  
Partner

FCS No.: 3667  
CP No. : 3202  
Place : Mumbai  
Date : May 09, 2018



# Financial Statements

# Independent Auditor's Report

To  
The Members of  
**Mahanagar Gas Limited**

## Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of Mahanagar Gas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Ind AS Financial Statements

2. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants

of India, as 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS 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 Ind AS financial statements.

## Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matter

6. The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give

in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

8. 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) 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 Ind AS financial statements - Refer Note 31.9 to the Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

# Annexure to the Independent Auditor's Report of even date on the Financial Statements of Mahanagar Gas Limited

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahanagar Gas Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial

reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

# Annexure 1 referred to in paragraph 7 of our report of even date

Re: Mahanagar Gas Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of all assets except for underground assets in relation to the gas distribution network which cannot be physically verified. The programme for physical verification in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 related to the sale of natural gas and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, GST and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, profession tax, income-tax, sales-tax, service tax, customs duty, excise duty, cess, GST and other material statutory dues which were outstanding, at the year-end for a period of more than six months.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, Vat on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount Rs in lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	293.50	March 2001 - December 2004	High Court
		3,480.00	June 2006 - April 2016	CESTAT/CESTAT (Appeal)
		1,621.63	April 2014 - April 2016	Commissioner/ Commssioner (Appeal)
		89.96	March 2010 - July 2017	Joint Commissioner/Joint Commissioner (Appeals)
		113.51	October 2014 - April 2017	Assistant Commissioner
		3.04	April 2006 - March 2011	Superintendent of Central Goods and Service Tax

Name of the Statute	Nature of Dues	Amount Rs in lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service Tax	431.77	May 2005 - September 2015	CESTAT/CESTAT (Appeal)
		61.00	April 2006 - September 2015	Commissioner/Commssioner (Appeal)
		4.39	April 2015 - January 2016	Assistant Commissioner
		12.00	October 2015 - March 2017	Deputy Commissioner
Maharashtra Value Added Tax Act, 2002	Sales Tax	529.20	April 2006 - March 2011	Joint Commissioner/Joint Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	85.00	Assessment Year 2014 - 2015	Commissioner of Income Tax / Commissioner of Income Tax (Appeals)
		13.00	Assessment Year 2005 - 2006	Income Tax Assessing Office

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans to government. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed

in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

# Balance Sheet As at 31st March, 2018

Particulars	Notes	₹ Lakh	
		As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>I. Non-current Assets</b>			
(a) Property, Plant and Equipment	3	152,805.91	130,030.93
(b) Capital Work-in-Progress	3	35,662.28	41,152.79
(c) Intangible Assets	3	389.08	444.30
(d) Financial Assets			
(i) Trade Receivables	4	20.47	36.62
(ii) Security Deposits	5	1,774.95	2,171.99
(iii) Other Financial Assets	6	2,516.52	42.85
(e) Income Tax Assets (net)		2,399.35	799.28
(f) Other Non-current Assets	7	7,905.11	8,286.88
<b>Total Non-current Assets (I)</b>		<b>203,473.67</b>	<b>182,965.64</b>
<b>II. Current assets</b>			
(a) Inventories	8	2,399.86	2,376.34
(b) Financial Assets			
(i) Investments	9	68,768.42	46,666.60
(ii) Trade Receivables	4	9,134.59	9,454.39
(iii) Cash and Cash Equivalents	10	1,501.54	738.90
(iv) Bank balances other than (iii) above	11	7,686.29	12,871.85
(v) Security Deposits	5	1,552.24	1,219.09
(vi) Other Financial Assets	12	4,792.20	4,068.71
(c) Other current assets	13	1,714.78	2,063.43
<b>Total Current Assets (II)</b>		<b>97,549.92</b>	<b>79,459.31</b>
<b>TOTAL (I+II)</b>		<b>301,023.59</b>	<b>262,424.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity Share Capital	14	9,877.78	9,877.78
(b) Other Equity	15	199,656.85	174,125.96
<b>Total Equity (I)</b>		<b>209,534.63</b>	<b>184,003.74</b>
<b>II. Liabilities</b>			
<b>A. Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	119.51	270.03
(ii) Other Financial Liabilities	17	85.94	19.59
(b) Provisions	18	1,475.19	1,400.64
(c) Deferred Tax Liabilities (net)	19	17,482.94	13,762.71
<b>Total Non-current Liabilities (A)</b>		<b>19,163.58</b>	<b>15,452.97</b>
<b>B. Current Liabilities</b>			
(a) Current Financial Liabilities			
(i) Trade Payables	20	11,002.69	12,008.98
(ii) Security Deposits		44,315.39	38,781.58
(iii) Other Financial Liabilities	21	12,568.55	7,505.35
(b) Provisions	18	514.34	665.17
(c) Income Tax Liabilities (net)		80.77	116.36
(d) Other Current Liabilities	22	3,843.64	3,890.80
<b>Total Current Liabilities (B)</b>		<b>72,325.38</b>	<b>62,968.24</b>
<b>Total Liabilities (II = A+B)</b>		<b>91,488.96</b>	<b>78,421.21</b>
<b>TOTAL (I+II)</b>		<b>301,023.59</b>	<b>262,424.95</b>
See accompanying notes to the financial statements	1-31		

In terms of our report attached

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Rajeev Mathur**

Managing Director

DIN: 03308185

**S M Ranade**

Chief Financial Officer

ACA No: 39230

**Goutam Ghosh**

Technical Director

DIN: 07529446

**Alok Mishra**

CS & Compliance Officer

ACS No: A-15967

# Statement of Profit and Loss for the year ended 31st March, 2018

₹ Lakh

Particulars	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I Revenue from Operations</b>	23	245,291.74	223,907.13
<b>II Other Income</b>	24	5,768.06	5,265.72
<b>III Total Income (I + II)</b>		<b>251,059.80</b>	<b>229,172.85</b>
<b>IV Expenses :</b>			
Cost of Natural Gas and Traded Items	25	102,916.24	101,836.18
Changes in Inventories	26	(4.69)	4.04
Excise Duty on Sale of Compressed Natural Gas		21,991.04	20,509.95
Employee Benefits Expense	27	6,701.67	6,001.91
Finance Costs	28	9.04	102.11
Depreciation and Amortisation Expenses	3	11,118.46	9,513.20
Other Expenses	29	35,676.71	31,139.45
<b>Total Expenses</b>		<b>178,408.47</b>	<b>169,106.84</b>
<b>V Profit Before Tax for the year (III- IV)</b>		72,651.33	60,066.01
<b>VI Income Tax Expense :</b>			
(i) Current Tax		21,175.81	18,947.16
(ii) Deferred Tax		3,688.29	1,776.10
<b>Total Income Tax Expense (i+ii)</b>		<b>24,864.10</b>	<b>20,723.26</b>
<b>VII Profit After Tax for the year (V - VI)</b>		47,787.23	39,342.75
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :	30		
Gains/(Losses) on Remeasurements of the Defined Benefit Plans		159.01	(101.47)
Income tax relating to items that will not be reclassified to profit or loss		(56.31)	35.12
<b>Total Other Comprehensive Income</b>		<b>102.70</b>	<b>(66.35)</b>
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		47,889.93	39,276.40
<b>X Earnings per equity share (EPS) (Face value of ₹ 10/- each)</b>	31.7		
Basic (₹)		48.38	39.83
Diluted (₹)		48.38	39.83
See accompanying notes to the financial statements	1-31		

There were no exceptional item(s) and discontinued operation(s) during the years presented.

In terms of our report attached

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Rajeev Mathur**

Managing Director

DIN: 03308185

**S M Ranade**

Chief Financial Officer

ACA No: 39230

**Goutam Ghosh**

Technical Director

DIN: 07529446

**Alok Mishra**

CS & Compliance Officer

ACS No: A-15967

# Statement of Cash Flows for the year ended 31st March, 2018

₹ Lakh

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per Statement of Profit and Loss	72,651.33	60,066.01
Adjustments for:		
Depreciation and Amortisation Expense	11,118.46	9,513.20
Writeoff and Loss on Disposal of Property, Plant and Equipment	249.21	100.97
Net unrealised foreign exchange (gain)/ loss	59.94	(97.47)
Gain on sale of Investments	(441.86)	(694.99)
Unrealised Gain on Investments	(629.19)	(591.45)
Allowance for Doubtful Trade Receivables (Net)	18.09	91.56
Allowance for Doubtful Security Deposits (Net)	92.70	(132.09)
Bad Trade Receivables written off	10.07	100.10
Sundry Deposits written off	31.93	149.48
Finance Costs	9.04	102.11
Dividend Income on Investments	(1,889.84)	(1,351.84)
Interest Income	(1,449.32)	(1,423.69)
<b>Operating Profit Before Working Capital Changes</b>	<b>79,830.56</b>	<b>65,831.90</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	(23.52)	(573.66)
(Increase)/Decrease in Trade Receivables	307.79	(341.75)
(Increase)/Decrease in Security Deposits	(60.74)	(721.81)
(Increase)/Decrease in Other Financial Assets	(723.04)	(842.32)
(Increase)/Decrease in Other Non Current Assets	354.58	(3,700.34)
(Increase)/Decrease in Other Current Assets	348.65	(377.88)
Increase/(Decrease) in Other Financial Liabilities	3,446.11	4,772.54
Increase/(Decrease) in Provisions	82.73	335.95
Increase/(Decrease) in Trade Payables	(1,066.23)	292.48
Increase/(Decrease) in Security Deposits (Liability)	5,599.27	6,847.80
Increase/(Decrease) in Other Current Liabilities	(47.16)	322.50
	<b>8,218.44</b>	<b>6,013.51</b>
<b>Cash Generated from Operations</b>	<b>88,049.00</b>	<b>71,845.41</b>
Income Taxes Paid	(22,835.82)	(18,618.74)
<b>Net Cash from Operating Activities</b>	<b>65,213.18</b>	<b>53,226.67</b>

# Statement of Cash Flows

for the year ended 31st March, 2018

₹ Lakh

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant and Equipment	(26,902.88)	(25,452.15)
Proceeds from sale of Property, Plant and Equipment	16.58	5.46
Payments for purchase of Investments	(324,204.85)	(256,160.34)
Proceeds from sale of Investments	303,340.08	249,425.30
Movements in Bank Deposits not considered as Cash and Cash Equivalents	2,484.39	2,483.65
Interest Received	1,068.50	1,320.37
Dividend Received on Investments	1,889.84	1,351.84
Gain / (Loss) on sale of Investments	441.86	694.99
<b>Net Cash (used in) Investing Activities</b>	<b>(41,866.48)</b>	<b>(26,330.88)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(150.52)	(183.18)
Dividend Paid (Includes Dividend Distribution Tax)	(22,359.04)	(28,161.63)
Interest Paid	(74.50)	(31.17)
<b>Net Cash used in Financing Activities</b>	<b>(22,584.06)</b>	<b>(28,375.98)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)	762.64	(1,480.19)
Cash and Cash Equivalents at the beginning of the year (refer note 10)	738.90	2,219.09
<b>Cash and Cash Equivalents at the end of the year (refer note 10)</b>	<b>1,501.54</b>	<b>738.90</b>
See accompanying notes forming part of the financial statements		

Note : Conversion of Compulsorily convertible debentures into equity shares is not reflected in statement of cash flow being a non cash item.

In terms of our report attached

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Rajeev Mathur**

Managing Director

DIN: 03308185

**S M Ranade**

Chief Financial Officer

ACA No: 39230

**Goutam Ghosh**

Technical Director

DIN: 07529446

**Alok Mishra**

CS & Compliance Officer

ACS No: A-15967

# Statement of Changes in Equity for the year ended 31st March, 2018

₹ Lakh

Particulars	Equity Share Capital		Equity Component of Compound Financial Instruments [b]	Reserves and Surplus		Total [a+b+c+d]
	Number of shares	Equity share capital [a]		General Reserve [c]	Retained earnings [d]	
<b>Balance as at 1st April 2016</b>	<b>89,341,600</b>	<b>8,934.16</b>	<b>793.85</b>	<b>21,183.81</b>	<b>141,931.01</b>	<b>172,842.83</b>
Add: Profit for the Year	-	-	-	-	39,342.75	<b>39,342.75</b>
Other Comprehensive Income (Net of Tax)	-	-	-	-	(66.35)	<b>(66.35)</b>
Conversion of 9% Compulsorily Convertible Debentures # (refer note 31.13)	9,436,178	943.62	(793.85)	-	(103.63)	<b>46.14</b>
Dividend Paid for FY 2015-16	-	-	-	-	(8,934.16)	<b>(8,934.16)</b>
Special Dividend Paid for FY 2015-16	-	-	-	-	(6,700.62)	<b>(6,700.62)</b>
Interim Dividend Paid for FY 2016-17 **	-	-	-	-	(7,763.51)	<b>(7,763.51)</b>
Tax on Dividend Paid	-	-	-	-	(4,763.34)	<b>(4,763.34)</b>
<b>Balance as at 31st March 2017</b>	<b>98,777,778</b>	<b>9,877.78</b>	<b>-</b>	<b>21,183.81</b>	<b>152,942.15</b>	<b>184,003.74</b>
Add: Profit for the Year	-	-	-	-	47,787.23	<b>47,787.23</b>
Other Comprehensive Income (Net of Tax)	-	-	-	-	102.70	<b>102.70</b>
Final Dividend Paid for FY 2016-17 **	-	-	-	-	(10,674.95)	<b>(10,674.95)</b>
Interim Dividend Paid for FY 2017-18	-	-	-	-	(7,902.22)	<b>(7,902.22)</b>
Tax on Dividend Paid	-	-	-	-	(3,781.87)	<b>(3,781.87)</b>
<b>Balance as at 31st March 2018</b>	<b>98,777,778</b>	<b>9,877.78</b>	<b>-</b>	<b>21,183.81</b>	<b>178,473.04</b>	<b>209,534.63</b>

# 94,36,178 equity shares of ₹10 each issued on conversion of same number of Compulsorily convertible debentures during the year ended March 31, 2017.

\*\* Total dividend paid for the FY 2016-17 is ₹18,438.46 lakh which includes special dividend of ₹6,307.79 lakh.

In terms of our report attached

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No. 105938

Place of Signature: Mumbai

Date: May 21, 2018

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Rajeev Mathur**

Managing Director

DIN: 03308185

**S M Ranade**

Chief Financial Officer

ACA No: 39230

**Goutam Ghosh**

Technical Director

DIN: 07529446

**Alok Mishra**

CS & Compliance Officer

ACS No: A-15967

# Notes to the Financial Statements for the year ended 31st March, 2018

## 1. General Information

Mahanagar Gas Limited ("MGL" or "the company") is a limited company domiciled in India and was incorporated on May 8, 1995. Equity shares of the Company are listed in India on the Bombay Stock Exchange and The National Stock Exchange. The registered office of the Company is located at MGL House, G-33 Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051.

MGL is in the business of City Gas Distribution ("CGD"), presently supplying Natural Gas in the city of Mumbai including its adjoining areas and the Raigad district, in the State of Maharashtra, India.

The financial statements are presented in Indian Rupee (INR) which is also Functional Currency of the Company. The financial statements were authorised for issue by the directors on May 21, 2018.

All values are rounded off to the nearest ₹ lakh except when stated otherwise.

## 2. Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

#### a. Statement of Compliance :

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

#### b. Historical cost convention

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured initially at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

#### c. Current vs Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

An asset is treated as current when

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### 2.2 Property, plant and equipment

All items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent costs are added to existing item's carrying amount or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs related to an item are charged to the statement of profit and loss during the reporting period in which

# Notes to the Financial Statements for the year ended 31st March, 2018

they are incurred. 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.

## a. Commissioning

Gas distribution systems are treated as commissioned when supply of gas reaches to the individual points and ready for intended use.

## b. Capital work-in-progress

Capital Work-in-Progress includes, material, labour and other directly attributable costs incurred on assets, which are yet to be commissioned. Capital Inventory is included in Capital work-in-progress and comprises stock of capital items and construction materials at stores and with contractors.

## c. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of estimated residual value, over estimated useful lives.

The useful lives and residual values are as prescribed under schedule II to Companies Act, 2013, except in respect of, following category of property, plant and equipment where useful life estimated as per management estimate is based on technical advice, taking into account the nature of the asset, replacements generally required from the point of view of operational effectiveness:

CNG Compressors and Dispensers - 10 years

CNG Cascades - 20 years

Underground pipeline network - 25 years

Intangible assets (Softwares/Licenses) are amortised over 6 years based on useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on the property, plant and equipment added / disposed off / discarded during the year is provided on pro-rata basis with reference to the time of addition/ disposal/discarding.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss under Other Expenses.

- d. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets.

Accordingly, the Company had elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

## 2.3 Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. The cash generating unit is the group of asset that generates identified independent cashflows. 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 fair value less costs of disposal 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

## 2.4 Investments and other financial assets

### a. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

# Notes to the Financial Statements for the year ended 31st March, 2018

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The company reclassifies debt investments when and only when its business model for managing those assets changes

Assets that are held for collection of contractual cash flows where those cash flows represent sole payment of principal and interest are measured at amortised cost.

Investments in mutual funds are primarily held for the Company's cash requirements and can be readily convertible in cash. These investments are initially recognised at fair value and carried at fair value through profit or loss (FVTPL).

## b. Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset (other than financial asset at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through the Statement of Profit and Loss are recognised immediately in Statement of Profit and Loss.

## c. Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial asset.

## d. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, except for specifically identified cases, Company follow a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns.

## e. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### 2.4.1 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cash in transit and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.5 Financial Liabilities

### a. Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b. Measurement

Financial liabilities are initially recorded at fair value and are subsequently measured at amortised cost using effective interest method or at FVTPL

# Notes to the Financial Statements for the year ended 31st March, 2018

## c. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

## d. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## e. Trade and other payables

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

## 2.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount

is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.7 Inventories

Stock of gas is valued at lower of cost computed on First In First Out (FIFO) basis and estimated net realisable value.

Inventories other than stock of gas are valued at cost, which is determined on weighted average net off provision for cost of obsolescence / slow moving inventory and other anticipated losses, wherever considered necessary.

Cost of inventories includes all other costs incurred in bringing the inventories to their present location and condition.

## 2.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The Company earns revenues primarily from sale of natural gas. Revenue is recognised on supply of gas to customers by metered/assessed measurements. The Company has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has the pricing latitude and is also exposed to credit risk.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue is measured at the fair value of the consideration received or receivable, inclusive of excise duty. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

# Notes to the Financial Statements for the year ended 31st March, 2018

Compensation receivable from customers with respect to shortfall in minimum guaranteed offtake of gas is recognised on contractual basis. Delayed payment charges are recognised on receipt basis in view of uncertainty of collection.

## 2.9 Interest and Dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive dividend has been established.

## 2.10 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

## 2.11 Income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

### Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

## 2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## 2.15 Employee benefits

### a. Short-term obligations

Liabilities for wages and salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period are recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

### b. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

- defined benefit plans - gratuity and post-retirement medical benefit scheme

- defined contribution plans such as provident fund.

### Defined Benefit Plans - Gratuity obligations and post-retirement medical benefit obligations

The liability or asset recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

### Compensated absences

The Company's liabilities under for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for based on estimates. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### Defined contribution plans

Company pays provident fund contributions to publicly administered provident funds and National Pension Scheme (NPS) as per local regulations. Company's

# Notes to the Financial Statements for the year ended 31st March, 2018

contribution to provident fund and NPS is recognised on accrual basis in the Statement of Profit and Loss. Company has no further payment obligations once the contributions have been paid.

## c. Other long-term employee benefit obligations

The liabilities for long service awards and compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

## 2.16 Segment reporting

The board of directors assesses performance of the Company as Chief Operating Decision Maker.

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended March 31, 2018.

## 2.17 Earnings per share

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

## 2.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed

on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates

### Useful lives of property, plant and equipment

The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Estimation of defined benefit obligation

The company has defined benefit plans for its employees which are actuarially valued. Such valuation is based on many estimates and other factors, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

### Recognition of deferred tax assets

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

### Provision on receivables

The Company has a defined policy for provision of receivables which is based on the ageing of receivables. The Company reviews the policy at regular intervals.

### Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure so provided and included as liability.

### Recognition and measurement of unbilled gas sales revenue

In case of customers where meter reading dates for billing is not matching with reporting date, the gas sales between last meter reading date and reporting date has been accrued by the company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue so

# Notes to the Financial Statements for the year ended 31st March, 2018

included in Sale of natural gas and classified under current financial assets.

## 2.19 Fair Value Measurements

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfer have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value for measurement and/or disclosure purposes in these financial information is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

## 2.20 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS

# Notes to the Financial Statements for the year ended 31st March, 2018

115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be insignificant changes in the recognition of revenue from the current practice. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

## **Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

These amendments are not applicable to the Company.

## **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. Upon adoption the Company expects there may be insignificant impact.

## **Transfers of Investment Property – Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not applicable to the Company.

## **Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 3 : Property, Plant and Equipment & Intangible Assets

₹ Lakh

Description of Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	Depreciation/Amortisation	Disposals	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018
<b>i. Property, Plant and Equipment</b>										
Buildings and Bunk Houses	1,667.69	9.12	-	1,676.81	73.96	39.77	-	113.73	1,593.73	1,563.08
	<i>1,658.80</i>	<i>8.89</i>	-	<i>1,667.69</i>	<i>37.19</i>	<i>36.77</i>	-	<i>73.96</i>	<i>1,621.61</i>	<i>1,593.73</i>
Roads and Fences	314.60	0.15	-	314.75	45.84	22.88	-	68.72	268.76	246.03
	<i>313.37</i>	<i>1.23</i>	-	<i>314.60</i>	<i>22.84</i>	<i>23.00</i>	-	<i>45.84</i>	<i>290.53</i>	<i>268.76</i>
Plant and Equipment - Gas Distribution System	1,41,000.12	33,059.65	-280.29	1,73,779.48	15,860.41	10,288.84	-134.29	26,014.96	1,25,139.71	1,47,764.52
	<i>1,14,552.76</i>	<i>26,599.96</i>	<i>-152.60</i>	<i>1,41,000.12</i>	<i>7,345.66</i>	<i>8,575.22</i>	<i>-60.47</i>	<i>15,860.41</i>	<i>1,07,207.10</i>	<i>1,25,139.71</i>
Plant and Equipment - Others	1,881.29	507.69	-	2,388.98	306.93	181.41	-	488.34	1,574.36	1,900.64
	<i>1,828.01</i>	<i>53.28</i>	-	<i>1,881.29</i>	<i>150.46</i>	<i>156.47</i>	-	<i>306.93</i>	<i>1,677.55</i>	<i>1,574.36</i>
Computers	653.02	184.57	-9.41	828.18	277.69	175.24	-4.01	448.92	375.33	379.26
	<i>444.83</i>	<i>223.89</i>	<i>-15.70</i>	<i>653.02</i>	<i>130.29</i>	<i>150.72</i>	<i>-3.32</i>	<i>277.69</i>	<i>314.54</i>	<i>375.33</i>
Electrical Installations	675.59	0.03	-	675.62	187.50	86.61	-	274.11	488.09	401.51
	<i>675.59</i>	-	-	<i>675.59</i>	<i>100.26</i>	<i>87.24</i>	-	<i>187.50</i>	<i>575.33</i>	<i>488.09</i>
Office Equipments	778.62	49.46	-0.23	827.85	423.52	143.19	-0.14	566.57	355.10	261.28
	<i>728.85</i>	<i>51.37</i>	<i>-1.60</i>	<i>778.62</i>	<i>211.90</i>	<i>211.62</i>	-	<i>423.52</i>	<i>516.95</i>	<i>355.10</i>
Communication Systems	73.95	34.52	-	108.47	24.91	18.18	-	43.09	49.04	65.38
	<i>50.34</i>	<i>23.61</i>	-	<i>73.95</i>	<i>14.29</i>	<i>10.62</i>	-	<i>24.91</i>	<i>36.05</i>	<i>49.04</i>
Furniture and Fixtures	257.92	71.52	-0.89	328.55	71.11	33.72	-0.49	104.34	186.81	224.21
	<i>200.98</i>	<i>57.26</i>	<i>-0.32</i>	<i>257.92</i>	<i>34.64</i>	<i>36.47</i>	-	<i>71.11</i>	<i>166.34</i>	<i>186.81</i>
<b>Total - Property, Plant and Equipment (i)</b>	<b>1,47,302.80</b>	<b>33,916.71</b>	<b>-290.82</b>	<b>1,80,928.69</b>	<b>17,271.87</b>	<b>10,989.84</b>	<b>-138.93</b>	<b>28,122.78</b>	<b>1,30,030.93</b>	<b>1,52,805.91</b>
	<i>1,20,453.53</i>	<i>27,019.49</i>	<i>-170.22</i>	<i>1,47,302.80</i>	<i>8,047.53</i>	<i>9,288.13</i>	<i>-63.79</i>	<i>17,271.87</i>	<i>1,12,406.00</i>	<i>1,30,030.93</i>
<b>ii. Intangible Assets</b>										
Computer Softwares / Licences (Acquired)	871.02	73.40	-	944.42	426.72	128.62	-	555.34	444.30	389.08
	<i>670.36</i>	<i>200.66</i>	-	<i>871.02</i>	<i>201.65</i>	<i>225.07</i>	-	<i>426.72</i>	<i>468.71</i>	<i>444.30</i>
<b>Total - Intangible Assets (ii)</b>	<b>871.02</b>	<b>73.40</b>	<b>-</b>	<b>944.42</b>	<b>426.72</b>	<b>128.62</b>	<b>-</b>	<b>555.34</b>	<b>444.30</b>	<b>389.08</b>
	<i>670.36</i>	<i>200.66</i>	-	<i>871.02</i>	<i>201.65</i>	<i>225.07</i>	-	<i>426.72</i>	<i>468.71</i>	<i>444.30</i>
<b>Total - Property, Plant and Equipment &amp; Intangible Assets (i+ii)</b>	<b>1,48,173.82</b>	<b>33,990.11</b>	<b>-290.82</b>	<b>1,81,873.11</b>	<b>17,698.59</b>	<b>11,118.46</b>	<b>-138.93</b>	<b>28,678.12</b>	<b>1,30,475.23</b>	<b>1,53,194.99</b>
	<i>1,21,123.89</i>	<i>27,220.15</i>	<i>-170.22</i>	<i>1,48,173.82</i>	<i>8,249.18</i>	<i>9,513.20</i>	<i>-63.79</i>	<i>17,698.59</i>	<i>1,12,874.71</i>	<i>1,30,475.23</i>
<b>iii. Capital work-in-progress (refer note 27 and 29)</b>										
									41,152.79	35,662.28
									42,886.51	41,152.79
<b>Grand Total (i+ii+iii)</b>									<b>1,71,628.02</b>	<b>1,88,857.27</b>
									<i>1,55,761.22</i>	<i>1,71,628.02</i>

### NOTES:

- Capital Work-in-Progress includes Capital inventory of ₹6,874.72 Lakh (as at 31st March, 2017 ₹7,582.16 Lakh)
  - Capital inventory includes material with contractors ₹1,980.09 Lakh (as at 31st March, 2017 ₹1,536.08 Lakh)
  - Capital inventory includes material in transit ₹67.48 Lakh (as at 31st March, 2017 ₹Nil)
- Figures in italics represent previous year's figures.

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 4 : Trade Receivables

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
<b>(a) Current</b>		
Secured, Considered Good (secured against security deposits)	1,704.14	1,492.86
Unsecured, Considered Good #	7,430.45	7,961.53
Doubtful	245.87	227.77
	<b>9,380.46</b>	<b>9,682.16</b>
Less : Allowance for Doubtful Trade Receivables	245.87	227.77
	<b>9,134.59</b>	<b>9,454.39</b>
<b>(b) Non-current</b>		
Unsecured Considered Good	20.47	36.62
<b>Total - Trade Receivables (a+b)</b>	<b>9,155.06</b>	<b>9,491.01</b>

# Includes ₹3.54 Lakh receivable from related parties for the year ending 31st March 2018. (refer note 31.3)

## Note - 5 : Security Deposits

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
<b>(a) Current</b>		
Unsecured, Considered Good #	1,552.24	1,219.09
Doubtful	148.20	55.50
	<b>1,700.44</b>	<b>1,274.59</b>
Less: Allowance for Doubtful Deposits	148.20	55.50
	<b>1,552.24</b>	<b>1,219.09</b>
<b>(b) Non-current</b>		
Unsecured, Considered Good	1,774.95	2,171.99
<b>Total - Security Deposits (a+b)</b>	<b>3,327.19</b>	<b>3,391.08</b>

# includes ₹310.40 Lakh given during the year 2016-17 to BSE Limited and NSE Limited for the purpose of IPO

## Note - 6 : Other Non-current Financial Assets

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Other Bank Balances#	2,506.67	32.55
Other Loans and Advances	9.85	10.30
	<b>2,516.52</b>	<b>42.85</b>

# includes margin money deposit ₹4.29 Lakh (previous year ₹32.55 Lakh)

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 7 : Other Non-current Assets

Particulars	₹ Lakh	
	As at 31st March 2018	As at 31st March 2017
Capital Advances	51.74	78.93
Prepaid Rent on Leasehold Land	6,732.37	6,814.87
Prepaid Expenses	1,121.00	1,393.08
	<b>7,905.11</b>	<b>8,286.88</b>

## Note - 8 : Inventories (at lower of Cost and Net Realisable Value)

Particulars	₹ Lakh	
	As at 31st March 2018	As at 31st March 2017
<b>Stock in Trade:</b>		
Stock of Natural Gas	38.61	33.92
Stores and Spares	2,361.25	2,342.42
	<b>2,399.86</b>	<b>2,376.34</b>

Stores and Spares in Transit ₹Nil (previous year ₹1.28 Lakh)

## Note - 9 : Investments

### a. Carried at Fair Value through Profit or Loss

Name of Mutual Fund Scheme (Unquoted)	Face value	Number of Units		Amount (₹ Lakh)	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Axis Liquid Fund - Daily Dividend	1,000	7,06,271	599,901	7,072.59	6,004.26
Baroda Pioneer Liquid Fund - Plan A Daily Dividend	1,000	-	587,982	-	5,886.40
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan - Reinvestment	100	10,006,127	-	10,033.35	-
Franklin India Treasury Management Account -Super Institutional Plan - Daily Dividend Reinvestment	1,000	-	94,951	-	950.18
ICICI Prudential Ultra Short Term - Growth	10	-	38,115,324	-	6,373.91
ICICI Prudential Flexible Income Plan - Regular - Growth	100	1,855,199	-	6,183.70	-
IDBI Liquid Fund	10	868,916	-	8,734.94	-
Indiabulls Liquid Fund	1,000	-	622,881	-	6,235.94
Kotak Floater - Short Term - Daily Dividend (Regular Plan)	1,000	28,304	-	286.33	-
Kotak Low Duration Fund - Standard Growth (Regular Plan)	1,000	308,948	308,948	6,559.35	6,124.83
L&T Liquid Fund	1,000	759,601	-	7,689.97	-
Reliance Medium Term Fund - Growth Plan - Growth Option	10	18,112,581	19,114,563	6,600.32	6,522.73

# Notes to the Financial Statements for the year ended 31st March, 2018

## a. Carried at Fair Value through profit or Loss

Name of Mutual Fund Scheme (Unquoted)	Face value	Number of Units		Amount (₹ Lakh)	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Invesco India Liquid Fund - Daily Dividend	1,000	-	601,018	-	6,019.95
Tata Money Market Fund - Regular Plan-Daily Dividend	1,000	-	181,960	-	1,822.35
UTI Liquid Fund - Cash Plan - Institutional Plan - Daily Dividend	1,000	-	71,221	-	726.05
<b>Total Investment in Mutual Funds (Unquoted)</b>				<b>53,160.55</b>	<b>46,666.60</b>

## b. Carried at Amortised Cost

Particulars	Amount	
	31st March, 2018	31st March, 2017
Fixed Deposit with LIC Housing Finance Ltd.	7,750.66	-
Fixed Deposit with HDFC Ltd.	7,857.21	-
<b>Total of Corporate FDs</b>	<b>15,607.87</b>	<b>-</b>
<b>Grand Total (a+b) (Unquoted Investments)</b>	<b>68,768.42</b>	<b>46,666.60</b>

## Note - 10 : Cash and Cash Equivalents

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Cash on Hand	1.27	0.81
Cash in Transit	388.90	144.54
Cheques on Hand	-	2.36
Balances with Banks		
- in Current Accounts	1,111.37	591.19
<b>Total - Cash and Cash Equivalents (refer Cash Flow Statements)</b>	<b>1,501.54</b>	<b>738.90</b>

## Note - 11 : Other Bank Balances

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
In Deposit Accounts	7,555.45	12,786.86
Margin Money Deposit	130.84	84.99
	<b>7,686.29</b>	<b>12,871.85</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 12 : Other Current Financial Assets

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Unbilled Revenue	3,144.16	2,787.65
Current Accounts (earmarked against expenses payable towards IPO)	1,200.03	1,200.03
Others	448.01	81.03
	<b>4,792.20</b>	<b>4,068.71</b>

## Note - 13 : Other Current Assets

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Prepaid Expenses	964.64	662.66
Balances with Government Authorities (Central Excise, Service Tax, VAT, etc.)	680.21	1,362.87
Advances to Employees / Vendors	69.93	37.90
	<b>1,714.78</b>	<b>2,063.43</b>

## Note - 14 : Equity Share Capital

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
<b>Authorised Equity Share Capital</b>		
13,00,00,000 (previous year 13,00,00,000) Equity Shares of ₹10/- each	<b>13,000.00</b>	<b>13,000.00</b>
<b>Issued, Subscribed and Fully Paid Equity Shares</b>		
9,87,77,778 (previous year 9,87,77,778) Equity Shares of ₹10/- each	<b>9,877.78</b>	<b>9,877.78</b>

Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value at ₹10 per share, each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 14,a : Movements in Equity Share Capital

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	9,877.78	8,934.16
Conversion of 94,36,178 CCDs into equivalent number of Equity shares	-	943.62
<b>Closing Balance</b>	<b>9,877.78</b>	<b>9,877.78</b>
<b>Details of Shareholders holding more than 5% Shares</b>		
<b>GAIL (India) Limited</b>		
Number of Shares	32,102,750	32,102,740
Percentage	32.50	32.50
<b>BG Asia Pacific Holding Pte. Ltd., Singapore</b>		
Number of Shares	32,102,710	32,102,710
Percentage	32.50	32.50
<b>Government of Maharashtra</b>		
Number of Shares	9,877,778	9,877,778
Percentage	10.00	10.00

## Note - 15 : Other Equity

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
General Reserve	21,183.81	21,183.81
Retained Earnings	178,473.04	152,942.15
	<b>199,656.85</b>	<b>174,125.96</b>

## Note - 16 : Borrowings (Unsecured - at Amortised Cost)

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Deferred Payment Liabilities :		
Interest Free Sales Tax Deferred Loan #	119.51	270.03
	<b>119.51</b>	<b>270.03</b>

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

## Note - 17 : Non-current Financial Liabilities - Others

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Security Deposits	85.94	19.59
	<b>85.94</b>	<b>19.59</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 18 : Provisions

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
<b>a. Current (refer note 31.1)</b>		
Leave Encashment	410.98	384.73
Post Retirement Medical Benefit	2.31	0.97
Gratuity	82.64	256.09
Other Employee Benefits Obligations	18.41	23.38
<b>Total (a)</b>	<b>514.34</b>	<b>665.17</b>
<b>b. Non-current (refer note 31.1)</b>		
Leave Encashment	797.53	747.15
Post Retirement Medical Benefit	515.98	495.16
Other Employee Benefits Obligations	161.68	158.33
<b>Total (b)</b>	<b>1,475.19</b>	<b>1,400.64</b>
<b>Total Provisions (a+b)</b>	<b>1,989.53</b>	<b>2,065.81</b>

## Note - 19 : Deferred Tax Liabilities (Net) (refer note 31.6)

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liabilities	18,463.24	14,657.35
Less : Deferred Tax Assets	980.30	894.64
	<b>17,482.94</b>	<b>13,762.71</b>

## Note - 20 : Trade Payables

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Micro, Small and Medium Enterprises (refer note 31.10)	347.88	297.16
Other Trade Payables	7,248.40	7,492.57
	7,596.28	7,789.73
To Related Parties (Refer note 31.3)	3,406.41	4,219.25
	<b>11,002.69</b>	<b>12,008.98</b>

## Note - 21 : Current Financial Liabilities - Others

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Payables in relation to IPO to related parties (Refer note 31.3)	1,327.80	1,341.92
Payables for purchase of property, plant and equipment :		
- Micro, Small and Medium Enterprises (refer note 31.10)	274.76	168.66
- Other Payables for purchase of property, plant and equipment	4,114.81	2,537.47
Others	6,851.18	3,457.30
	<b>12,568.55</b>	<b>7,505.35</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 22 : Other Current Liabilities

Particulars	₹ Lakh	
	Aas at 31st March, 2018	As at 31st March, 2017
Statutory Payables	2,276.62	2,324.08
Advances from Customers	1,567.02	1,566.72
	<b>3,843.64</b>	<b>3,890.80</b>

## Note - 23 : Revenue from Operations

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sale of Natural Gas (Including Excise Duty)	243,309.15	222,274.67
Sale of Pipes, Fittings and Other Materials	450.75	217.41
Other Operating Income	1,531.84	1,415.05
	<b>245,291.74</b>	<b>223,907.13</b>

## Note - 24 : Other Income

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>a. Interest Income</b>		
From Bank Deposits	684.94	1,388.37
From Other Financials Assets	764.38	35.32
	<b>1,449.32</b>	<b>1,423.69</b>
<b>b. Dividend Income</b>		
From Mutual Funds designated at FVTPL	1,889.84	1,351.84
<b>c. Other Gains and Losses</b>		
Gain/(Loss) on Debt Instruments designated at FVTPL *	1,071.05	1,286.44
Net Foreign Exchange Gain/(Loss)(net)	-	66.94
	<b>1,071.05</b>	<b>1,353.38</b>
<b>d. Other Non-operating Income</b>	1,357.85	1,136.81
<b>Total Other Income (a+b+c+d)</b>	<b>5,768.06</b>	<b>5,265.72</b>

\* Includes unrealised increase in fair value of ₹1,045.81 Lakh (previous year - ₹996.97 Lakh)

## Note - 25 : Cost of Natural Gas and Traded Items

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Purchase Cost of Natural Gas and Other Charges	102,708.85	101,808.77
Less: Captive Consumption (Including VAT)	170.14	164.33
	<b>102,538.71</b>	<b>101,644.44</b>
Purchase of Pipes, Fittings and Other Materials	377.53	191.74
	<b>102,916.24</b>	<b>101,836.18</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 26 : Changes in Inventories

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Changes in Stock of Natural Gas:		
Opening Stock	33.92	37.96
Closing Stock	38.61	33.92
(Increase) / Decrease in Stock	<b>(4.69)</b>	<b>4.04</b>

## Note - 27 : Employee Benefits Expense

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, Wages and Allowances	7,492.14	6,961.70
Contribution to Provident Fund and Other Funds	357.46	320.13
Gratuity (Refer note 31.1)	180.52	109.59
Staff Welfare	346.12	314.76
Secondment Charges	349.07	380.55
	<b>8,725.31</b>	<b>8,086.73</b>
Less: Transfer to Capital Work-in-Progress	2,023.64	2,084.82
	<b>6,701.67</b>	<b>6,001.91</b>

## Note - 28 : Finance Costs

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on Borrowings	-	1.01
Other Interest Expense	9.04	101.10
	<b>9.04</b>	<b>102.11</b>

## Note - 29 : Other Expenses

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Power and Fuel	10,491.46	10,396.72
Consumption of Stores and Spares	2,685.97	2,830.27
Insurance	203.84	201.48
Rent Expense (refer note 31.5)	2,479.28	2,230.68
Rates and Taxes	249.22	248.59
Repairs to Buildings	7.85	1.29
Repairs to Plant and Machinery	5,697.69	4,136.59
Writeoff and Loss on Disposal of Property, Plant and Equipment	249.21	100.97

# Notes to the Financial Statements for the year ended 31st March, 2018

## Note - 29 : Other Expenses

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Bad Trade Receivables Written Off	10.07	100.10
Allowance for Doubtful Trade Receivables (Net)	18.09	91.56
Security Deposits Written off	31.93	149.48
Allowance for Doubtful Security Deposits (Net)	92.70	(132.09)
Corporate Social Responsibility Expenditure (Refer Note 31.12)	294.27	468.60
Miscellaneous Expenses	13,851.90	10,934.71
	<b>36,363.48</b>	<b>31,758.95</b>
Less: Transfer to Capital Work-in-Progress	686.77	619.50
	<b>35,676.71</b>	<b>31,139.45</b>

## Note - 30 : OCI - Items that will not be reclassified to profit or loss

Particulars	₹ Lakh	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Gains/(Losses) on Remeasurements of the Defined Benefit Plans	159.01	(101.47)
Less : Income Tax on Remeasurements of the Defined Benefit Plans	56.31	(35.12)
<b>OCI - Items that will not be reclassified to profit or loss (Net of Income Tax)</b>	<b>102.70</b>	<b>(66.35)</b>

## 31 Disclosures under Indian Accounting Standards:

### 31.1 Employee Benefit Obligations

#### a. Short-term Employee Benefits

These benefits include wages and salaries, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulated and expected to be availed within twelve months after the end of the reporting period.

#### b. Long-term Employee Benefits

##### i) Defined Contribution Plans

The Company makes Provident Fund and National Pension Scheme (NPS) contributions, which are defined contribution plans, for qualifying employees. Company has no further payment obligations once the contributions have been paid. Under the Provident Fund Schemes and NPS, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are in compliance with the rates specified in the rules of the schemes. The Company recognised **₹357.46 Lakh** (previous year ₹320.13 Lakh) as an expense and included in Note 27 - Employee Benefit Expenses 'Contribution to Provident Fund and Other Funds' in the Statement of Profit and Loss for the year ended March 31, 2018.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### ii) Defined Benefit Plans

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

- Gratuity (refer note 27): The Company's gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, Employee who has completed five years of service is entitled to specific benefit, the plan is funded.
- Post-Retirement Medical Benefit Plan (PRMB) (refer note 27)

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

#### Amount recognised in Statement of Profit and Loss

Particulars	₹ Lakh			
	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Current Service Cost	108.14	75.75	95.00	62.59
Interest Cost (Net)	19.26	37.31	14.59	30.73
Past Service Cost	53.12	-	-	-
<b>Total Expense recognised in the Statement of Profit and Loss</b>	<b>180.52</b>	<b>113.06</b>	<b>109.59</b>	<b>93.32</b>

#### Amount recognised in Other Comprehensive Income

Particulars	₹ Lakh			
	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Due to change in Financial Assumptions	(1.39)	(12.80)	79.98	33.81
Due to Experience	(51.87)	(75.81)	9.57	(10.81)
Return on Plan Assets (excluding amounts included in net interest expense)	(17.14)	-	(11.08)	-
<b>Total Remeasurement (gains)/losses recognised in OCI</b>	<b>(70.40)</b>	<b>(88.61)</b>	<b>78.47</b>	<b>23.00</b>

#### Net Asset/ (Liability) recognised in the Balance Sheet

Particulars	₹ Lakh			
	As at 31st March, 2018		As at 31st March, 2017	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Present value of Defined Benefit Obligation	(1,357.62)	(518.29)	(1,235.58)	(496.13)
Fair value of Plan Assets	1,274.98	-	979.49	NA
<b>Net Asset/ (Liability) recognised in the Balance Sheet</b>	<b>(82.64)</b>	<b>(518.29)</b>	<b>(256.09)</b>	<b>(496.13)</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### Change in defined obligation (DBO) during the year

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Present value of DBO at beginning	1,235.58	496.13	993.29	380.81
Current Service Cost	108.14	75.75	95.00	62.59
Past Service Cost	53.12	-	-	-
Interest Cost	92.92	37.31	80.16	30.73
Remeasurement (gain)/loss	(53.26)	(88.61)	89.55	23.00
Benefits paid	(78.88)	(2.29)	(22.42)	(1.00)
Present value of DBO at the end	1,357.62	518.29	1,235.58	496.13

₹ Lakh

### Change in the fair value of Asset during the year – Gratuity (Funded)

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Plan Assets at beginning	979.49	812.51
Interest Income	73.66	65.57
Return on Plan Assets (excluding amounts included in net interest expense)	17.14	11.08
Employer contribution	283.57	112.75
Benefits paid	(78.88)	(22.42)
Plan Assets as at the end \$	1,274.98	979.49
Actual return on Plan Assets	90.80	76.65

₹ Lakh

\$ Category-wise composition of the plan assets is not available with the Company, since the fund is managed by LIC.

### Principal Actuarial assumptions

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Discount rate	7.86%	7.86%	7.52%	7.52%
Expected rate of return on Plan Assets	7.86%	NA	7.52%	NA
Expected rate of escalation in salary	7.50%	NA	7.50%	NA
Attrition	2.00%	2.00%	2.00%	2.00%
Medical Cost Inflation	NA	3.00%	NA	3.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate			
Estimate of amount of contribution in the immediate next year (₹Lakh)	197.74	NA	212.44	NA

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### Maturity analysis of Projected Benefit Obligation

Particulars	As at 31st March, 2018	
	Gratuity (Funded)	PRMB (Unfunded)
1st Following Year	32.35	6.74
2nd Following Year	43.14	2.17
3rd Following Year	37.12	9.93
4th Following Year	68.68	23.66
5th Following Year	92.29	12.10
Sum of Years 6 To 10	513.22	102.46

₹ Lakh

These plans typically expose the Company to actuarial risks such as:

**Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest rate risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

**Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. 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. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Sensitivity

#### Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in Assumption	As at 31st March, 2018		As at 31st March, 2018	
		Increase by	Decrease by	Increase by	Decrease by
Discount rate	+/- 1%	241.65	298.95	19.92	76.05
Expected rate of escalation in salary	+/- 1%	172.47	148.12	165.57	141.16
Attrition rate	+/- 1%	279.47	281.27	272.40	274.79
Medical Cost Inflation	+/- 1%	132.77	101.15	127.10	96.83

₹ Lakh

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### iii) Other Long-term Employee Benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting 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.

An amount of ₹209.26 Lakh (previous year ₹292.36 Lakh) and ₹12.55 Lakh (previous year ₹20.74 Lakh) has been charged to the Statement of Profit and Loss towards Compensated absences and Long service awards respectively.

### Actuarial assumptions for long-term compensated absences

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount rate	7.86%	7.52%
Salary escalation	7.50%	7.50%
Attrition	2.00%	2.00%

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.

NA : Not Applicable

## 31.2 Segment Information

### a. Description of segments and principal activities

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended March 31, 2018.

### b. Entity wide disclosures

#### Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas."

#### Geographical Information:

The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers earned and non-current asset are located, in India.

#### Information about major customers:

Three customers during the year ended March 31, 2018 and three customers during the year ended March 31, 2017 contributed to more than 10% of the revenue individually. Revenue from these customers is ₹1,11,488.44 Lakh (previous year ₹1,02,851.99 Lakh).

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### 31.3 Related Party Transactions

GAIL (India) Limited (GAIL) and BG Asia Pacific Holdings Pte. Limited (BGAPHPL) were promoter joint venturers till June 30, 2016 and w.e.f. July 1, 2016 both are having significant influence on the Company.

Key Management Personnel (KMP) as per Ind AS 24 :

Mr. Rajeev Mathur – Managing Director

Ms. Susmita Sengupta – Technical Director (upto 6th November 2017)

Mr. Goutam Ghosh – Technical Director (from 20th November 2017)

**Details of transactions with related entities (including entities transacting on behalf of related entities), in ordinary course of business:**

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Purchase of Natural Gas (from GAIL)	1,02,230.45	1,08,414.01
Secondment Charges (for KMPs' remuneration)	359.75	425.60
Expense incurred and recovered / recoverable (relates to IPO except ₹1.48 Lakh for the year ended March 31, 2017)	14.12	2,858.10
Refundable Security Deposit given/received	4.00	4.00
Other Expense	5.71	9.53
Other Income (with subsidiaries and JVs of GAIL)	14.65	4.00

**Outstanding balance with related entities having significant influence on the Company:**

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Trade Payables #	3,406.41	4,219.25
Trade Receivables	3.54	-
IPO related Payables	1,327.80	1,341.92

# Mainly on account of gas purchases (secured by Stand by Letter of Credit) to be settled as per contract within 4 days, from receipt of invoices, being general terms of payment for such transactions.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### 31.4 Financial Instruments (Fair Value Measurements) :

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, capital management, markets risk, credit risks and liquidity risks are as follows:

#### a. Classification of Financial Assets and Liabilities

Particulars	Notes	₹ Lakh	
		As at 31st March, 2018	As at 31st March, 2017
<b>A. Financial Assets</b>			
<b>I. Measured at Fair Value Through Profit or Loss (FVTPL)</b>			
(i) Investments	9	53,160.55	46,666.60
<b>II. Measured at Amortised Cost</b>			
(i) Corporate Fixed Deposits	9	15,607.87	-
(ii) Trade Receivables	4	9,155.06	9,491.01
(iii) Security Deposits	5	3,327.19	3,391.08
(iv) Cash and Cash Equivalents	10	1,501.54	738.90
(v) Bank balances other than (iv) above	11	7,686.29	12,871.85
(vi) Other Financial Assets	6,12	7,308.72	4,111.56
<b>Total (A)</b>		<b>97,747.22</b>	<b>77,271.00</b>
<b>B. Financial Liabilities</b>			
<b>I. Measured at Amortised Cost</b>			
(i) Borrowings	16	119.51	270.03
(ii) Trade Payables	20	11,002.69	12,008.98
(iii) Security Deposits		44,315.39	38,781.58
(iv) Other Financial Liabilities	17,21	12,654.49	7,524.94
<b>Total (B)</b>		<b>68,092.08</b>	<b>58,585.53</b>

#### b. Fair Value Hierarchy of Financial Assets and Liabilities

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (i) recognised and measured at fair value and (ii) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, Company has classified its financial instruments into three levels prescribed under the accounting standards below:

**Level 1:** Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Level 3 inputs are unobservable inputs for the asset or liability.

Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### (i) Measured at Fair Value Through Profit or Loss (FVTPL)

The company has investments in debt mutual funds which are not quoted in the active market. These debt mutual funds are subsequently measured at FVTPL as per the closing NAV statement provided by the mutual fund house. The corresponding unrealized gain or loss on fair valuation is recorded in profit and loss account under other income. Accordingly, such debt mutual funds fall under fair value hierarchy level 2. The fair value of these mutual funds as at March 31, 2018 is ₹ 53,160.55 Lakh (previous year ₹ 46,666.60 Lakh).

### (ii) Measured at Amortised Cost for which Fair Value is disclosed

The fair values of all current financial assets and liabilities including trade receivables and unbilled revenue, cash and cash equivalents, bank balances, bank fixed deposits, corporate fixed deposits, security deposits, trade payables, payables for purchase of property, plant and equipment and other current financial assets and liabilities are considered to be the same as their carrying values, due to their short term nature. The fair values of all non-current financial assets and liabilities including security deposits, trade receivables and borrowings and other non-current financial assets and liabilities are considered to be the same as their carrying values, as the impact of fair valuation is not material.

### c. Capital Management

Total equity as shown in the balance sheet includes equity share capital, general reserves and retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

The Company does not have any borrowing except for sales tax deferred loan.

### d. Financial risk management

Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and its impact on the financial statements

#### (i) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arises from trade receivables, security deposits, cash and cash equivalents and deposits with banks and corporates.

##### Trade receivables

The company supplies natural gas to customers.

Concentrations of credit risk with respect to trade receivables are limited as majority credit sales are made to high credit worthy entities and balance credit sales are against securities in the form of customer security deposits, bank guarantees and letter of credit. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

For trade receivables, except for specifically identified cases, Company follow a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns

# Notes to the Financial Statements for the year ended 31st March, 2018

## Age of receivables as on March 31, 2018

Ageing	₹ Lakh				
	Within the Credit Period	Upto 6 months	6 months to 1 year	Above 1 year	Total
Gross Amount	6,326.54	2,352.66	446.63	275.10	9,400.93
Allowance for bad receivables	-	-	(2.52)	(243.35)	(245.87)
Net Trade receivables	6,326.54	2,352.66	444.11	31.75	9,155.06

## Age of receivables as on March 31, 2017

Ageing	₹ Lakh				
	Within the Credit Period	Upto 6 months	6 months to 1 year	Above 1 year	Total
Gross Amount	6,965.19	2,337.82	351.76	64.01	9,718.78
Allowance for bad receivables	-	(50.93)	(139.14)	(37.70)	(227.77)
Net Trade receivables	6,965.19	2,286.89	212.62	26.31	9,491.01

## Reconciliation of loss allowance

Particulars	₹ Lakh
	Amount
Loss allowance as at March 31, 2017	227.77
Changes in loss allowance	18.10
Loss allowance as at March 31, 2018	245.87

### Other financial assets

The Company maintains exposure in security deposits, cash and cash equivalents and term deposits with banks and corporates.

In case of security deposits, majority of which are given to Municipal authorities (which are government controlled entities) towards pipeline laying activity, the credit risk is low.

In case of bank /corporate fixed deposits regular quotations for interest rate are invited and based on best offered rate the bank deposits are placed with banks/corporates having reasonably high net worth. Exposures of deposit placed are restricted to limits per bank/corporate as per policy and limits are actively monitored by the Company. We understand that the credit risk is very low to moderate for such deposits.

The Company's maximum exposure to credit risk is the carrying value of each class of financial assets as disclosed in note 4,5,6,9,10,11 and 12

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will find it difficult in meeting its obligations associated with its financial liabilities on time.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

to the dynamic nature of the underlying business, Company's treasury maintains flexibility in funding by maintaining availability under cash and cash equivalents, bank fixed deposits, corporate fixed deposits and mutual funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

### As at March 31, 2018

Particulars	₹ Lakh		
	Upto 1 year	More than 1 year	Total
Borrowings	-	119.51	119.51
Trade Payables	11,002.69	-	11,002.69
Security Deposits	44,315.39	-	44,315.39
Others	12,568.55	85.94	12,654.49
<b>Total</b>	<b>67,886.63</b>	<b>205.45</b>	<b>68,092.08</b>

### As at March 31, 2017

Particulars	₹ Lakh		
	Upto 1 year	More than 1 year	Total
Borrowings	-	270.03	270.03
Trade Payables	12,008.98	-	12,008.98
Security Deposits	38,781.58	-	38,781.58
Others	7,505.35	19.59	7,524.94
<b>Total</b>	<b>58,295.91</b>	<b>289.62</b>	<b>58,585.53</b>

### (iii) Market Risk

#### Foreign Exchange Risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. As per the risk management policy, the foreign currency exposure is unhedged however managed partially through natural hedge under gas sales contracts and balance through adjustment in sales prices.

The table below shows the unhedged currency exposure of financial liabilities:

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Forex	₹ Lakh	Forex	₹ Lakh
Secondment Expenses	GBP	534,703.00	493.45	5,34,703.00	432.47
Capital Imports	USD	211,755.83	137.73	63,151.58	40.95
Capital Imports	EUR	39,805.00	32.09	-	-
Import of Goods & Services	USD	30,791.00	20.03	32,401.75	21.01

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

The sensitivity of profit or loss and equity to changes in the exchange rates that arise from foreign currency denominated financial instruments mentioned above is as below:

Particulars	₹ Lakh	
	As at 31st March, 2018	As at March 31, 2017
<b>USD Sensitivity :</b>		
Increase by 5%	7.89	3.10
Decrease by 5%	7.89	3.10
<b>GBP Sensitivity :</b>		
Increase by 5%	24.67	21.62
Decrease by 5%	24.67	21.62
<b>EUR Sensitivity :</b>		
Increase by 5%	1.60	-
Decrease by 5%	1.60	-

### Interest Rate Risk:

There are no interest bearing borrowings and hence company is not exposed to interest rate risk presently.

The Company's investments in fixed deposits with banks/corporates and liquid debt mutual funds are for short durations, and therefore do not expose the Company to significant interest rates risk.

## 31.5 Operating Leases

The company has entered into various operating lease arrangements for hiring of vehicles, equipments and premises (residential, office and godown)

### a. Rental Expenses relating to Operating Leases (refer note 29)

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Minimum Lease Payments	592.86	584.06
Others	1,886.42	1,646.62
<b>Total Rent Expense</b>	<b>2,479.28</b>	<b>2,230.68</b>

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

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	422.30	467.79
Later than one year but not later than five years	658.23	151.06
<b>Total</b>	<b>1,080.53</b>	<b>618.85</b>

Operating leases relate to land with lease term of 17 to 116 years. The Company does not have an option to purchase at the end of the lease term.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### 31.6 Income Tax

#### a. Components and movements of Deferred Tax Liability (Net):

Particulars	₹ Lakh			
	As at March 31, 2017 (a)	Recognised in Statement of Profit and Loss (b)	Recognised in Statement of OCI (c)	As at March 31, 2018 (d=a+b+c)
<b>i. Items of Deferred Tax Liabilities :</b>				
Property, Plant and Equipment and Intangible Assets	(14,272.60)	(3,582.29)	-	(17,854.89)
Financial Assets carried at Fair Value through profit or loss	(384.75)	(223.60)	-	(608.35)
<b>Total Deferred Tax Liability (i)</b>	<b>(14,657.35)</b>	<b>(3,805.89)</b>	-	<b>(18,463.24)</b>
<b>ii. Items of Deferred Tax Assets :</b>				
Allowance for doubtful trade receivables and deposits	98.04	39.67	-	137.71
Disallowances under Section 43B of the Income Tax Act, 1961	747.08	77.46	(31.94)	792.60
Others	49.52	0.47	-	49.99
<b>Total Deferred Tax Assets (ii)</b>	<b>894.64</b>	<b>117.60</b>	<b>(31.94)</b>	<b>980.30</b>
<b>Net Deferred Tax Liability (i-ii)</b>	<b>(13,762.71)</b>	<b>(3,688.29)</b>	<b>(31.94)</b>	<b>(17,482.94)</b>

#### b. Components of Income Tax Expense

Particulars	₹ Lakh	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Income Tax Expense</b>		
<b>i. Current Tax</b>		
Current Tax on Profits for the year	21,175.81	18,947.16
<b>Total Current Tax (i)</b>	<b>21,175.81</b>	<b>18,947.16</b>
<b>ii. Deferred Tax</b>		
Decrease / (Increase) in Deferred Tax Assets	(117.60)	(206.54)
Increase / (Decrease) in Deferred Tax Liability	3,805.89	1,982.64
<b>Total Deferred Tax (ii)</b>	<b>3,688.29</b>	<b>1,776.10</b>
<b>Total Income Tax Expense (i+ii)</b>	<b>24,864.10</b>	<b>20,723.26</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### 31.6 Income Tax

#### c. Reconciliation of Income Tax Expense with Accounting Profit :

Particulars	₹ Lakh	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>i. Profit Before Tax</b>	<b>72,651.33</b>	<b>60,066.01</b>
<b>ii. Tax at Indian Tax Rate of 34.608%</b>	<b>25,143.17</b>	<b>20,787.64</b>
<b>iii. Tax effect of Permanent Differences:</b>		
a. Due to impact of change in tax rates	166.83	-
b. Effect of exempt income	(654.04)	(467.84)
c. Effect of expenses not deductible for tax purposes	208.14	403.46
<b>Total Tax effect of Permanent Differences (a+b+c)</b>	<b>(279.07)</b>	<b>(64.38)</b>
<b>iv. Income Tax Expense as per Statement of Profit and Loss (ii+iii)</b>	<b>24,864.10</b>	<b>20,723.26</b>

### 31.7 Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year by the weighted average number of equity shares outstanding during the year. There are no dilutive potential equity shares as at the respective dates. The following data has been used for calculating basic and diluted EPS.

Particulars	₹ Lakh	
	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Net profit after tax attributable to equity shareholders (₹ Lakh)	47,787.23	39,342.75
b) Weighted Average Number of Equity Shares for basic and diluted EPS	9,87,77,778	9,87,77,778
c) EPS (₹) [Basic and Diluted (a/b)]	48.38	39.83
(Face value per share ₹ 10)		

### 31.8 Capital and other commitments

- Estimated amount of contracts to be executed for project execution including labour and purchase of material relating to construction of pipeline network and CNG outlets not provided for (net of advances) **₹21,125.34 Lakh** (previous year ₹14,213.31 Lakh).
- 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.
- For lease commitments refer note 31.5
- The Company has commitment to achieve Minimum Work Program (MWP) for its Raigarh Geographical Area (GA) as per the PNGRB authorization dated 1st April 2015 under the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks ((GSR 196 (E)) Regulations, 2008. The Company is yet to achieve MWP target specified up to 31st March 2018 in Raigarh GA. To achieve cumulative MWP required up to 2019-20, the Company as per regulation 16 of the PNGRB regulations GSR 196 (E), basis the Minutes of Meeting of the PNGRB hearing dated 12th March 2018, has submitted the remedial action plan completing by 2020-21 to PNGRB on 4th April 2018.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

### 31.9 Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts in respect of which the Company does not expect outflow of resources **₹16,978.03 Lakh** (previous year ₹31,637.46 Lakh), includes:

- i) Claims disputed by the Company relating to issues of applicability aggregating to **₹2,439.48 Lakh** (previous year ₹ 18,951.50 Lakh) as detailed below:

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
a) Excise Duty	1,298.66	17,788.41
b) Service Tax	509.53	571.93
c) Sales Tax / Input VAT credits	529.20	489.07
d) Income Tax	102.09	102.09
<b>Total</b>	<b>2,439.48</b>	<b>18,951.50</b>

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

- ii) 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 **₹714.78 Lakh** (previous year ₹ 285.66 Lakh).
- iii) Third party/other claims arising from disputes relating to contracts aggregating to **₹63.33 Lakh** (previous year ₹ 107.59 Lakh).
- iv) Demand from GAIL (India) Limited in respect of additional transportation tariff for the period from November 2008 to March 2018 **₹13,721.60 Lakh** (previous year ₹12,252.59 Lakh). The company has filed an appeal before Appellate Tribunal for Electricity (APTEL). The case is being heard at APTEL. Based on the legal opinion, the Company contends that the same is not payable and the Company does not expect outflow of resources.
- v) Claims raised by GAIL (India) Limited in respect of differential price for supplies over and above allocation **₹ Nil** (previous year ₹ 6.84 Lakh).
- vi) Claims from consumers not acknowledged as debts **₹38.84 Lakh** (previous year ₹33.28 Lakh).
- vii) Liability on account of revision of trade margin as per contracts with Oil Marketing Companies with effect from January 1, 2015 is yet to be determined in view of undergoing negotiations.

### 31.10 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are as follows :

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year		
a) Trade Payables	347.88	297.16
b) Payables for purchase of property, plant and equipment	274.76	168.66
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

Particulars	₹ Lakh	
	As at 31st March, 2018	As at 31st March, 2017
(iii) The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro enterprises and Small enterprises has been determined based on information available with the company. This has been relied upon by the auditors.

### 31.11 Payments to Auditor (included in Miscellaneous Expenses under note 29).

Particulars	₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. For Audit (Net of service tax input credit, where applicable)(amount for 2017-18 includes ₹5.15 lakh paid to previous auditor)	44.08	47.71
b. For Company Law matters	-	0.67
c. For Other Services [The above expenses excludes Professional fees in respect of Initial Public Offer (IPO) ₹Nil (Previous period ₹42 Lakh) excluding taxes, to be borne by promoters]	-	-
d. Reimbursement of expenses	0.96	1.03

### 31.12 CSR Expenditure:

- (a) Gross amount required to be spent by company for the year is **₹999.89 Lakh** (previous year ₹909.11 Lakh)
- (b) Amount spent during the period:
  - i. Construction/acquisition of asset **₹ Nil** (previous year ₹ Nil)
  - ii. On purposes other than (i) above **₹294.27 Lakh** (previous year ₹468.60 Lakh)(Refer Note 29)

# Notes to the Financial Statements for the year ended 31st March, 2018

## 31 Disclosures under Indian Accounting Standards (Contd...)

- 31.13** On January 5, 2016, existing shareholders were offered 94,92,545 Unsecured Compulsorily Convertible Debentures (UCCDs) (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. 94,36,178 Unsecured CCDs were allotted to Government of Maharashtra against their application and the balance 56,367 Unsecured CCDs were cancelled. These Unsecured CCDs allotted to Government of Maharashtra were converted at par into equity shares of same number on June 7, 2016.
- 31.14** The Board of Directors, at its meeting held on 21st May 2018, has proposed a final dividend of ₹11/- per equity share of face value ₹10/- each for the financial year ended March 31, 2018. This is in addition to the interim dividend of ₹8/- per equity share paid during the year. With this, the total dividend for the year is ₹19/- per equity share (normal dividend of ₹12.50 and special dividend of ₹6.50) of face value ₹10/- each. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹13,099 Lakh, including corporate dividend tax.
- 31.15** The previous year numbers have been audited by an audit firm other than S R B C & Co LLP. The previous numbers have been reclassified wherever necessary.

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**Per Vikram Mehta**  
Partner  
Membership No. 105938

Place of Signature: Mumbai  
Date: May 21, 2018

For and on behalf of the Board of Directors of  
**Mahanagar Gas Limited**

**Rajeev Mathur**  
Managing Director  
DIN: 03308185

**S M Ranade**  
Chief Financial Officer  
ACA No: 39230

**Goutam Ghosh**  
Technical Director  
DIN: 07529446

**Alok Mishra**  
CS & Compliance Officer  
ACS No: A-15967



# HIGHLIGHTS AT MAHANAGAR GAS LIMITED



Welcoming new MD Mr. Sanjib Datta and fond farewell to outgoing MD Mr. Rajeev Mathur



Dedicating first CNG Station in Uran to the public.



◆ Long term service award offered to employees



# MAHANAGAR GAS LIMITED

◆ 22<sup>nd</sup> Annual General Meeting

**MAHANAGAR GAS LIMITED  
ANNUAL REPORT 2017-18**



**MAHANAGAR  
GAS**

*indhan hariyali ka*

BSE - 539957  
NSE - MGL  
CIN - L40200MH1995PLC088133

Follow us at  /mglltd  /mahanagargas

[www.mahanagargas.com](http://www.mahanagargas.com)

© Mahanagar Gas Limited - 2017-18. All rights reserved.

This publication and its content is copyright of Mahanagar Gas Limited. Any redistribution or reproduction of part or all of the contents in any form is prohibited without the prior written permission of Mahanagar Gas Limited

**Registered Office**  
MGL House, Block G-33,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Tel: +91 22 6678 5000  
Fax: + 91 22 2652 8925  
Email: [info@mahanagargas.com](mailto:info@mahanagargas.com)



## MAHANAGAR GAS LIMITED MUMBAI

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai -400051  
CIN: L40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 2652 8925  
Website: [www.mahanagargas.com](http://www.mahanagargas.com) | E-mail: [info@mahanagargas.com](mailto:info@mahanagargas.com)

To,  
The Members

**NOTICE** is hereby given that the **Twenty-Third Annual General Meeting (AGM)** of the Members of **MAHANAGAR GAS LIMITED** will be held on Monday, September 17, 2018 at 11.00 a.m. at "IES Manik Sabhagriha" Auditorium, Vishwakarma M.D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400 050, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹8.00 per equity share, already paid and to declare the final dividend of ₹11.00 per equity shares for the financial year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Virendra Nath Datt (DIN: 07823778), who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of Appointment of Auditors.

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E/E300003), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the twenty-fourth AGM of the Company to be held in the year 2019, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

5. Ratification of Cost Auditor's remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof for the time being in force) and the Companies (Cost Audit and Records) Rules, 2014, as amended from time to time, the remuneration of ₹3,15,000/- (Travelling and Out of Pocket expenses to be paid on actual basis) plus taxes as applicable incurred in connection with the audit, payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Registration No. 30) who were re-appointed as Cost Auditor by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company for the Financial Year ending March 31, 2019 be and is hereby ratified."

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

6. Confirmation of re-appointment of Mr. Rajeev Kumar Mathur (DIN:03308185) as Managing Director and approval of terms and conditions.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to such other consents and permission as may be necessary, and such modifications, variations as may be approved, the consent of the members be and is hereby accorded for the re-appointment of Mr. Rajeev Kumar Mathur

(DIN: 03308185) as Managing Director of the Company with effect from September 29, 2017 to May 30, 2018 in compliance with the provisions of the Companies Act, 2013 and on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) during the tenure of his appointment as forwarded by GAIL (India) Limited (GAIL) vide its letter dated September 22, 2017 and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings.”

7. Appointment of Mr. Goutam Ghosh (DIN: 07529446) as a Whole-Time Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to such modifications, variations as may be approved and acceptable to the appointee and such other approval as may be necessary, the consent of the members be and is hereby accorded for the appointment of Mr. Goutam Ghosh (DIN:07529446) as Whole Time Director designated as Technical Director of the Company with effect from November 20, 2017 till further notice from BG Asia Pacific Holding Pte. Limited, for a term not exceeding five years at a time and on the terms and conditions and remuneration as mentioned below, subject to maximum limit as prescribed under the provisions of Section 197 of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings.”

- i. Salary: Salary shall be payable to Mr. Goutam Ghosh as per the terms and conditions agreed by and between the promoters of the Company and as applicable to him from time to time. Presently, the yearly salary is ₹1,61,85,301.15\*

**Note:**

- \*Estimate Cost for the period: November 2017 to November 2018.
- Salary and allowances are subject to revision based on actual salary.
- The Company shall provide a chauffeur driven vehicle for official use.
- The Company shall also provide all the necessary office equipment such as laptop, IPAD / TAB with sim card, mobile phone with sim card, etc. for business operations.

- The Company shall provide non-monetary mementos / greetings/souvenir/ex-gratia on achieving certain milestones and on significant events and occasions by the Company so as to formally recognize the contribution similar to other directors, the monetary value of such memento, souvenir shall not exceed ₹1,00,000/- (Rupees One lakh only) every financial year, which shall form part of the remuneration.
- Taxes will be charged as per applicable rates.
- Mr. Goutam Ghosh shall not be entitled to sitting fee and commission for attending Meetings of the Board and / or Committee of Board of Directors of the Company.
- When in any Financial Year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Goutam Ghosh in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

8. Re-appointment of Mr. Raj Kishore Tewari (DIN:07056080) as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 (1) and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Raj Kishore Tewari (DIN:07056080), who was appointed as an Additional Director (Independent Category) of the Company, by the Board of Directors with effect from March 05, 2018 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria prescribed for Independent Director under Section 149 (6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from himself proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings be and is hereby re-appointed as an Independent Director of the Company for a second term commencing from March 05, 2018 upto March 31, 2021, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

9. Appointment of Mr. Premesh Kumar Jain (DIN: 02145534) as an Independent Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 161 (1) and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Premesh Kumar Jain (DIN: 02145534), who was appointed as an Additional Director (Independent Category) of the Company, by the Board of Directors with effect from April 09, 2018 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria prescribed for Independent Director under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from himself proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as an Independent Director of the Company from April 09, 2018 upto March 31, 2021, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

10. Appointment of Mr. Sanjib Datta (DIN: 07008785) as Director.

To consider and if thought fit, to pass the following Resolution, with or without modification(s), as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 152 and 161 (1) and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Mr. Sanjib Datta (DIN: 07008785), who was appointed as an Additional Director of the Company with effect from May 30, 2018 and whose term

expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as Director of the Company, in terms of the provisions of the Articles of Association of the Company.”

11. Appointment of Mr. Sanjib Datta (DIN: 07008785) as Managing Director.

To consider and if thought fit, to pass the following Resolution, with or without modification(s), as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to such other consents and permission as may be necessary, and such modifications, variations as may be approved and acceptable to the appointee, the consent of the members be and is hereby accorded for the appointment and terms and conditions of remuneration of Mr. Sanjib Datta (DIN: 07008785) as Managing Director of the Company with effect from May 30, 2018 until further orders from GAIL (India) Limited (GAIL), for a term not exceeding 5 years at a time and in compliance with the provisions of the Companies Act, 2013 and on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) during the tenure of his appointment as forwarded by GAIL vide its letter dated May 10, 2018 and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings.”

12. Enhancement in aggregate Foreign Investment limit for Investment by Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) put together from 24% to 40% of the paid-up equity share capital of the Company:

To consider and if thought fit, to pass the following Resolutions, with or without modification(s), as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 2013 to the extent applicable, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Reserve Bank of India (“RBI”) and any other

appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modification as may be prescribed, stipulated, or imposed by any of the abovementioned concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) to exercise its powers including the power conferred by any resolution, consent, authority and approval of the members be and is hereby is accorded to the Board of Directors to permit Foreign Institutional Investors ("FIIs") registered with or Foreign Portfolio Investors ("FPIs") with the Securities and Exchange Board of India ("SEBI") in terms of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, to make investment in any manner in the equity shares of the Company from 24% (Twenty Four percent) up to an aggregate limit of 40% (Forty percent) of the paid-up equity share capital of the Company, provided, however that the shareholding of each FII/FPI in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit from 24% to aggregate limit of 40%."

13. To approve Material Related Party Transactions.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions 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 Obligation and Disclosure Requirements) Regulations, 2015 and any other applicable statutory laws, and in continuation to earlier resolution passed by the Shareholders in the 22nd Annual General Meeting held on September 25, 2017, 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:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	Maximum value of transactions
01.	GAIL (India) Limited	Promoter		
02.	BG India Energy Solutions Private Limited			
03.	Hazira LNG Private Limited	Promoter Group Entity	Agreements entered / to be entered for purchase and transportation of gas.	₹2,150 Crores (for the financial year ending on March 31, 2020)
04.	Shell India Markets Private Limited			
05.	Shell Energy Marketing and Trading India Private Limited			

**"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".

14. To appoint Mr. Satish Gavai (DIN:01559484) as Non-Executive Director.

To consider and if thought fit, to pass the following Resolution, with or without modification(s), as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Satish Gavai (DIN: 01559484), who was appointed as an

Additional Director of the Company by the Board of Directors as per Section 161 of the Companies Act, 2013 effective from July 31, 2018 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as Non-Executive Director of the Company, whose office is liable to retire by rotation."

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



**Alok Mishra**

Place: Mumbai  
Date : July 31, 2018

Company Secretary & Compliance Officer

**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 14 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26 (4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM 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.
3. Pursuant to the provisions of Section 105 of the Act, 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.
4. 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. Considering the recent amendment in the Regulation 40 of "SEBI LODR" all the shareholders who continue to hold shares in physical form are advised to get the shares dematerialized by December 05, 2018 as it is mandated that transfer of securities would be carried out in dematerialized form only. The investors are requested to contact the Registrar & Transfer Agents in order to complete the process.
5. 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.
6. 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.
7. 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.
8. **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 to communicate with the Members in a better, eco-friendly and faster way.**
9. The Board of Directors, in its meeting held on February 09, 2018, had declared an Interim Dividend of ₹8/- per equity Share of the face value of ₹10/- each, on the paid-up Equity Share Capital of the Company, for the Financial Year 2017-18 and was paid to all eligible shareholders as on record date i.e. February 21, 2018.
10. 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 10, 2018.
11. 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.
12. 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.
13. Pursuant to the provisions of Section 91 of the Act, the register of members and share transfer books of the company will remain closed from Tuesday September 11, 2018 to Monday September 17, 2018 both days inclusive.
14. Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared at the AGM, will be paid within a period of 30 days from the declaration, to those equity shareholders:-
  - a) whose name appears as Beneficial owners as at the end of business hours on Monday, September 10, 2018 in the list of Beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of the shares held in electronic form; and,

- b) whose name appear as members in the Register of Members of the Company after giving effect to valid share transfers in Physical form lodged with Company/its Registers & Share Transfer Agents on or before Monday, September 10, 2018.
15. Dividend will be preferably paid through National Electronic Clearing Service (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.
16. To ensure timely credit of dividend through National Electronic Clearing Service (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 Monday, September 10, 2018.
17. 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.
18. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
19. Route map showing directions to the venue of the meeting is mentioned on the last page of the Notice and it is also available on the website of the Company at [www.mahanagargas.com](http://www.mahanagargas.com)
20. 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 LODR", 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.
21. The Board of Directors has appointed Mr. Lalit Jain, Practicing Company Secretary (Membership No. 1903) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
22. The facility for voting through polling paper/tablet facility 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.
23. 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.
24. Shareholders are requested to send their share transfer and all other requests and complaints to Link Intime India Private Limited at the following address:  
  
C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083.
25. The instructions for e-voting are as follows:  
  
Step 1: Log in to NSDL's e-voting system at <https://www.evoting.nsdl.com/>  
  
Step 2: Cast your vote electronically on NSDL's e-voting system.

### STEP 1

How to log in to NSDL e-voting website?

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer/laptop or on a mobile.
2. Once the home page of the e-voting system is launched, click on the icon "Login" available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS login details. Once you log in to NSDL e-services after using your log in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and change your password as prompted by the system.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the file. The password to open the file is your 8 digit client ID for your NSDL account or last 8 digits of client ID for your CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - d) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  1. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  2. Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  3. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, agree to the terms and conditions by checking the box.

8. Next click on "Login" button.
9. After you click on the "Login" button, the home page of e-voting will open.

**STEP 2**

How to cast your vote electronically on the NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the home page of e-voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. Upon clicking on Active Voting Cycles, you will be able to see the EVEN of all the companies in which you hold shares and whose voting cycle are in active status.
3. Select "EVEN" of the "Mahanagar Gas Limited" which is 108998.
4. Now you are on voting page and ready for e-voting.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [lkjcs@yahoo.com](mailto:lkjcs@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

4. The e-voting period commences on Friday, September 14, 2018 (9:00 a.m. IST) and ends on Sunday, September 16, 2018 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on cut-off date of Monday, September 10, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. Monday, September 10, 2018, may obtain his login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
5. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. Monday, September 10, 2018. 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.
6. 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.
7. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mahanagargas.com](http://www.mahanagargas.com) and on the website of NSDL [www.evoting.nsdl.com](http://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.
8. 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 polling paper/tablet 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. 4**

The Shareholders at the 22<sup>nd</sup> Annual General Meeting (AGM) of the Company held on September 25, 2017 had appointed M/s. S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E/E300003) as Statutory Auditors of the Company, to hold office from conclusion of 22<sup>nd</sup> AGM of the Company till the conclusion of 27<sup>th</sup> AGM, subject to ratification of such appointment by the shareholders at every AGM, as applicable.

Pursuant to amendment of Section 139 of the Companies Act, 2013 effective from May 07, 2018, the requirement related to ratification of appointment of Statutory Auditors by the members of the Company at every AGM was omitted.

Considering the above amendment, Shareholders are informed that the ratification of the appointment of Statutory Auditors at every Annual General Meeting be waived off from the next Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No. 4 of this Notice.

### **Item No. 5**

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors in its meeting held on May 21, 2018, had approved the appointment of M/s Dhananjay V Joshi & Associates, Cost Accountants (Registration No. 30) on the recommendation of the Audit Committee to conduct audit of cost records of the Company for the financial year 2018-19 at a remuneration of ₹3,15,000/- (Travelling and Out of Pocket expenses to be paid on actual basis) plus taxes as applicable, subject to ratification of remuneration by the shareholders.

M/s Dhananjay V Joshi & Associates have the necessary experience in the field of cost audit, and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provision of Section 148 of the Act read with Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out in Item no. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the said resolution at Item No.5 of the Notice.

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

#### Item No. 6

Mr. Rajeev Kumar Mathur was appointed as a Managing Director of the Company for the period commencing from September 29, 2014 for a period of three years. GAIL (India) Ltd. (GAIL) vide its letter dated September 22, 2017 further extended the tenure of Mr. Rajeev Kumar Mathur on secondment basis till further orders. The aforesaid appointment was effective from September 29, 2017 until further orders from GAIL but not exceeding the period of five years at a time, subject to approval of shareholders.

However, the nomination of Mr. Rajeev Kumar Mathur was withdrawn vide GAIL's letter dated May 10, 2018 as Mr. Rajeev Kumar Mathur was repatriated to GAIL as Executive Director and consequently, Mr. Rajeev Kumar Mathur relinquished the position of Director and Managing Director w.e.f. May 30, 2018.

In terms of Schedule V of the Companies Act, 2013, the re-appointment and remuneration of Managing Director is approved by the Nomination & Remuneration Committee and Board of Directors of the Company.

#### Brief Resume of Mr. Rajeev Kumar Mathur

Mr. Rajeev Kumar Mathur is an Engineer by profession, having a Master's Degree in Business Administration with specialization in Marketing Management and has put in three decades of broad experience in the Natural Gas & Petrochemical industry. For the past three years, he has been at the helm of Mahanagar Gas Limited.

Mr. Mathur started his career stint with GAIL since its inception and was elevated to the position of Executive Director (Marketing). In his 30 years of rich experience in gas industry, he has steered many initiatives under different profiles of Marketing and Business Development areas. His assignments included overseeing the marketing function in GAIL viz. Natural Gas Trading, Gas Transmission and marketing other allied products within India & abroad; as an in-Charge Regulatory Affairs department ensuring adherence to regulatory framework, pricing, contract management and high stake legal cases as well as handling of stakeholders viz. investors, key ministries industrial chambers, etc. He had been a promoter nominee on the Board of Indraprastha Gas Ltd. (A City Gas Distribution Company at Delhi) ensuring corporate governance in terms of financial prudence, formulating strategic business plans to enhance shareholders value.

Apart from the above, Mr. Mathur has successfully coordinated the 08th Asia Gas Partnership Summit (AGPS)(the largest Natural Gas event in South Asia), represented India during Bilateral Cooperation in Energy Sector, acted as a coordinator for the sub group on Natural Gas sector for preparing the Approach paper for Natural Gas for MoPNG. Mr. Mathur was also associated with MoPNG in the

formulation, structuring and drafting of National Gas Regulatory Board Bill, 2001.

#### Terms and Conditions

The principal terms and conditions of Mr. Rajeev Kumar Mathur's appointment as Managing Director continued to remain same as per GAIL's earlier letter dated September 28, 2014.

Mr. Rajeev Kumar Mathur drew his salary and benefits as per his service conditions from GAIL (India) Limited as applicable to him from time to time and in respect of which all payments including contribution towards provident funds, pension and gratuity were reimbursed to GAIL by the Company on the basis of cost, pursuant to the Secondment Agreement between GAIL (India) Limited and Mahanagar Gas Limited.

The details of salary and terms and conditions, as applicable are as follows.

#### Pay Scale - ₹62,000 - ₹80,000; Grade: E-9

Sr. No.	Components	Amount (in Rupees per Month)
1.	Basic Pay	80,000.00
2.	Variable DA (91.3% of basic w.e.f. 01.07.2013)	73,040.00
3.	Perquisites & allowances (LTD, holiday home, CEA, transport allowance, catering expenses reimbursement, reimbursement for assistance for performing official work at residence, house upkeep allowance, domestic help allowance, fitness allowance, etc) under 'Cafeteria Approach' limited @ 49% of Basic Pay.	39,200.00
4.	Secondment	8,000

**Variable DA (VDA) :** VDA shown shall be subject to change every quarter.

**Annual Increment:** @ 3% of Basic Pay. On reaching the maximum of the pay scale, maximum 03 stagnation increments is admissible, one after every two years, upon reaching the maximum of the pay scale, provided the performance rating is "Good" or above.

- Housing:** Mr. Rajeev Kumar Mathur is entitled to draw HRA @ 30% of basic pay or lease accommodation facility upto a ceiling of ₹36,000/- p.m.
- Company car:** Necessary provision for transport may be provided by MGL or vehicle / conveyance maintenance charges @ ₹15,616.00 p.m. are to be reimbursed (at the rate

notified by GAIL on half yearly basis) and wages of driver @ ₹12,000.00 p.m. (Approx). If official car is used for personal reasons, deductions are to be made @ ₹7.40 per KM for the vehicle run, limited to 6,000 KMs p.a. subject to minimum deduction of ₹125.00 p.m.

- c) **Other Benefits outside "Cafeteria Approach":** Mr. Rajeev Kumar Mathur is entitled to reimbursement of cost of Spectacles and Medical Reimbursements for self and dependent Family members, Brief case, Newspaper reimbursement, Leave Encashment, etc. as per GAIL Rules which will be borne by MGL. In addition, he is entitled for incentive under Performance Related Pay (PRP) as per GAIL Rules.
- d) **Pension and other Superannuation benefits:** Mr. Rajeev Kumar Mathur shall be governed by the Rules and Regulations of GAIL in respect of Superannuation Benefit Fund.
- e) **Provident Fund:** Contribution towards Provident Fund equivalent to 12% of Basic Pay, VDA, PP (Stagnation) shall be payable by MGL as employer's contribution.
- f) **Tenure:** The tenure of Mr. Mathur is initially for a period of 03 years or till further orders.
- g) In addition to the above, Mr. Rajeev Kumar Mathur would be provided with telephone, fax and internet at the residence which would not be considered as perquisites. The personal long distance / international calls would be borne by Mr Rajeev Kumar Mathur.
- h) Mr. Rajeev Kumar Mathur shall also be entitled to the Club Membership fees and expenses of ₹4.37 Lakhs (annually). Further, Mr. Rajeev Kumar Mathur would be provided with Bachelor accommodation (with caretaker), Telephone Expenses, Electricity Expenses, Gas Expenses etc., on actual basis.
- i) The Company shall provide non-monetary mementos/ greetings/souvenir/ex-gratia on achieving certain milestones and on significant events and occasions by the Company so as to formally recognize the contribution similar to other directors. The monetary value of such memento, souvenir shall not exceed ₹1,00,000/- (Rupees One lakh only) every financial year, which shall form part of the remuneration.

It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. Rajeev Kumar Mathur as a Managing Director, for the period commencing from September 29, 2017 to May 30, 2018 in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

Details required pursuant to Regulation 36 of "SEBI LODR" of Rajeev Kumar Mathur are provided in the "Annexure" to the Notice.

None of the Directors or Key Managerial Personnel of the Company

or their relatives other than Mr. Rajeev Kumar Mathur, Mr. Sanjib Datta, Managing Director and Mr. Virendra Nath Datt, Nominees of GAIL on the Board of Mahanagar Gas Limited are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of this Notice for the approval of Members.

#### Item No. 7

The Board of Directors of the Company at the meeting held on November 20, 2017, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Goutam Ghosh, as Whole time Director designated as Technical Director of the Company with effect from November 20, 2017.

As per the terms of the Secondment Agreement entered into by and between the promoters and the Company, our Company is required to reimburse to BG Exploration and Production India Limited (BGEPIIL) the amount of salary and other allowances payable to Mr. Goutam Ghosh in accordance with his service conditions with BGEPIIL. The Company has accordingly received the terms and conditions of service of Mr. Goutam Ghosh as set out in the resolution.

#### Brief Resume of Mr. Goutam Ghosh

Mr. Goutam Ghosh is a Post-graduate from Indian Institute of Technology (Indian School of Mines) Dhanbad and earned a Diploma in Management from Chartered Management Institute, UK. He has also attended Global Advanced Management Programme by ISB/ Kellogg School of Management. A trained Shell Safety Leadership Coach, and Shell HSSE & Social Performance Control Framework Auditor, he is affiliated to the Society of Petroleum Engineers (SPE) USA.

He has held operational and strategic roles in offshore exploration, development & production in national and international companies viz., ONGC, TOTAL, TATA, ARCO, BG and Shell. In a career spanning over 36 years, he has worked and lived in India, USA, France and UK and has successfully led multinational teams in large operated ventures to deliver as per global standards.

Before taking over his current role in MGL, he was Head, HSSE & Assurance, BGEPIIL (a part of the Royal Dutch Shell plc group of companies) and a member of the Asset Leadership Team of BGEPIIL since 2011. Apart from leading the HSSE and Engineering functions in BGEPIIL, Mr. Ghosh was also the Shell HSSE Focal Point for all Integrated Gas Ventures of Shell in India.

Details required pursuant to Regulation 36 of "SEBI LODR" of Mr. Goutam Ghosh, are provided in the "Annexure" to the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Goutam Ghosh, Whole-Time Director, Mr. Akhil Mehrotra, Chairman, MGL and Nominees of BG Asia Pacific

Holdings Pte. Limited, are in any way, concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of this Notice for approval of the Members.

#### **Item No. 8**

Mr. Raj Kishore Tewari was appointed as an Independent Director for the period of three years in the 2nd Extra Ordinary General Meeting of the Company held on March 05, 2015 ("first term"). Accordingly, the term of Mr. Tewari expired on March 04, 2018.

The Nomination and Remuneration Committee of the Board of Directors, has recommended re-appointment of Mr. Raj Kishore Tewari as an Additional Director (Independent Director Category) of the Company, not liable to retire by rotation for a second term commencing from March 05, 2018 till March 31, 2021 on the Board of the Company. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Raj Kishore Tewari shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from himself, proposing his candidature for the office of Director.

The Board, based on the recommendation of the Nomination and Remuneration Committee, are of opinion that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Raj Kishore Tewari would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Raj Kishore Tewari as an Independent Director of the Company, not liable to retire by rotation, for a second term commencing from March 05, 2018 till March 31, 2021 on the Board of the Company.

Mr. Raj Kishore Tewari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Raj Kishore Tewari confirming that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the "SEBI LODR".

In the opinion of the Board, Mr. Raj Kishore Tewari fulfils the conditions for appointment as an Independent Director as specified in the Act and the "SEBI LODR". Mr. Raj Kishore Tewari is independent of the management of the Company.

#### **Brief Resume of Mr. Raj Kishore Tewari**

Mr. Raj Kishore Tewari is an Independent Director on our Board since March 5, 2015. He holds a Bachelor's Degree in Science (Hons), Master's Degree in Physics from the University of Lucknow and Master's Degree in Fiscal Studies from the University of Bath, U.K. and LLB from the University of Mumbai. He is a retired officer of the Indian Revenue Service and has been a part of the Direct

Taxes Administration since 1976. Mr. Tewari has expertise and wide experience of around 38 years in matters relating to direct taxes and 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.

Details required pursuant to Regulation 36 of "SEBI LODR" of Mr. Raj Kishore Tewari, are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Raj Kishore Tewari as an Independent Director is now being placed before the Members for their approval.

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

The Board recommends the Special Resolution set out at Item No. 8 of this Notice for approval of the Members.

#### **Item No. 9**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Premesh Kumar Jain, as an Additional Director (Independent Director Category) of the Company, not liable to retire by rotation, from April 09, 2018 to March 31, 2021, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Premesh Kumar Jain shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from himself, proposing his candidature for the office of Director.

Mr. Premesh Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Premesh Kumar Jain to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the "SEBI LODR".

In the opinion of the Board, Mr. Premesh Kumar Jain fulfils the conditions specified in the Act and "SEBI LODR" for appointment as Independent Director and is independent of the management of the Company.

#### **Brief Resume of Mr. Premesh Kumar Jain**

Mr. Premesh Kumar Jain, who retired as Director (Finance) from GAIL, is a B.com from Agra University and a Fellow Member of Institute of Chartered Accountants of India (ICAI). He had also completed his MBA from University of Hull. (UK.) He has a total experience of more than 35 years mainly in Oil and Gas Sector.

Mr. Premesh Kumar Jain had served as Director (Finance) in GAIL, a Maharatna company of Government of India from February 2011 to April 30, 2015. During his tenure in GAIL, he had held various positions in GAIL including Head of Internal Audit, Head of Project Finance and Head of Finance of Petrochemical Plant. Mr. Premesh Kumar Jain has served for a period of 6 years on the Board of GAIL and its various Domestic and International subsidiary companies.

Details required pursuant to Regulation 36 of "SEBI LODR" of Mr. Premesh Kumar Jain, are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Premesh Kumar Jain as an Independent Director is now being placed before the Members for their approval.

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

The Board recommends the Ordinary Resolution set out at Item No. 9 of this Notice for approval of the Members.

#### Item No: 10 and 11

The Board of Directors in its meeting held on May 21, 2018 had appointed Mr. Sanjib Datta as an Additional Director with effect from May 30, 2018. As per the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sanjib Datta holds office upto the date of this Annual General Meeting and is eligible for appointment as Director of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for appointment as a Director of the Company.

The Board in the same meeting approved his appointment, terms and conditions including remuneration as Managing Director of the Company for the period from May 30, 2018 until further orders from GAIL, but not exceeding the period of five years at a time vide its letter dated May 10, 2018, subject to approval of shareholders.

It is proposed to appoint Mr. Sanjib Datta as Managing Director in terms of Articles of Association of the Company.

In terms of Schedule V of the Companies Act, 2013, the appointment and remuneration of Managing Director is recommended by the Nomination & Remuneration Committee of the Company and the Board of Directors.

#### Brief Resume of Mr. Sanjib Datta

Mr. Sanjib Datta holds a Bachelor's degree in Electrical Engineering from Jadavpur University, Kolkata. Before joining MGL, Mr. Datta has been heading the Business Development functions in GAIL (India) Limited as an Executive Director.

He has over 32 years of experience in handling multifarious assignments in the natural gas sector covering diverse functions like, Business Development, Marketing, Project Development and Construction as well as Operation & Maintenance of Pipelines and LNG Terminal.

His assignments in GAIL covered Merger & Acquisition initiatives as well as steering of Globalization and Diversification efforts. He steered GAIL to its successful participation in a shale gas asset in USA and also headed the team instrumental in finalizing the gas supplies and tolling service agreements pertaining to the LNG liquefaction project at Cove Point. Mr. Datta also handled GAIL's initiatives to import of gas into India through the TAPI pipeline apart from overseeing GAIL's investments in China, Egypt and Myanmar in the areas of city gas distribution and cross country pipeline.

In India, Mr. Sanjib Datta has led GAIL's forays into the solar business and has also steered GAIL's initiatives in diverse areas, like, floating LNG regasification terminals, LNG shipping, gas based power generation, petrochemicals and specialty chemicals etc. As a Project Manager, he had handled GAIL's participation in the restructuring and revival of the Dabhol Project after departure of Enron.

The principal terms and conditions of Mr. Sanjib Datta's appointment as Managing Director as received from GAIL are as follows:

- a) Pay Scale: ₹ 1,50,000-3,00,000/- Grade: E-9

Sr. No.	Components	Amount (₹)
1	Basic Pay per month	2,20,120
2	Variable DA (3.5% w.e.f. 01.04.2018) per month	7,704.20
3	Perquisites and allowances (LTC, Holiday, Home, CEA, Transport allowance for performing official work at residence, house upkeep allowance, domestic help allowance, Fitness allowance etc.) under "Cafeteria approach" limited @35% of Basic Pay per month	77,042.00
4	Secondment allowance per month	8,000.00
5	HRA @ 24% of Basic Pay per month	52,828.00

- b) Variable DA: VDA shown is subject to change every quarter. Annual increment @ 3% for Basic Pay. On reaching the maximum of the Pay scale, maximum 03 stagnation increments are admissible, one after every two years, provided the performance rating is "Good" or above.

- c) Housing: At present Mr. Sanjib Datta is drawing HRA.

- d) Company Car and Telephone: Necessary provision for transport and telephone may be made by MGL or vehicle/conveyance maintenance charge @ ₹15,362/-p.m. is to be reimbursed monthly (at the rate notified by GAIL on half yearly basis) along with monthly transport charges @ ₹2,000/- per month and wages of Driver @ ₹17,684/- p.m.
- e) Other Benefits outside "Cafeteria Approach": Mr. Sanjib Datta is entitled to reimbursement of cost of Spectacles and Medical Reimbursement for self and Dependent Family members, Brief case, Newspaper reimbursement, Leave Encashment etc. as per GAIL Rules which will be borne by MGL. In addition, he is entitled for Incentive under Performance Related Pay (PRP) as per GAIL Rules.
- f) The terms and conditions pertaining to Mr. Sanjib Datta's appointment and payment of remuneration shall vary as per conditions of his employment with GAIL.
- g) Pension and other superannuation benefits: Mr. Sanjib Datta remains on the rolls of GAIL and therefore, shall be governed by the Rules and Regulations of GAIL in respect of Superannuation Benefit Fund.
- h) Provident Fund: Contribution towards Provident Fund equivalent to 12% of Basic Pay & VDA, is payable by MGL as employers' contribution.
- i) Mr. Sanjib Datta shall also be entitled to the Club Membership fees and other expenses of ₹4.37 Lakhs (annually) and would also be provided with Mobile and internet Expenses etc., on actual basis.
- j) For smooth day to day business operations, Mr. Datta would also be provided with all the necessary office equipment such as laptop, IPAD / TAB with sim card, mobile phone with sim card, etc. with similar entitlement as for M-7 grade employees of the Company. He will also be entitled for phone, broadband facility, etc. at his residence (personal international calls to be billed separately).
- k) Mr. Datta shall also be provided with non-monetary mementos/greetings/souvenir/ex-gratia on achieving certain milestones and on significant events and occasions by the Company so as to formally recognize the contribution similar to other directors. The monetary value of such memento, souvenir shall not exceed ₹1,00,000/- (Rupees One lakh only) every financial year, which shall form part of the remuneration.

Mr. Sanjib Datta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. Mr. Sanjib Datta satisfies all the conditions as set out in Section 196 (3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

It is proposed to seek the Member's approval for the appointment of and remuneration payable to Mr. Sanjib Datta as a Managing Director, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Sanjib Datta as the Managing Director of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Sanjib Datta, the appointee himself and Mr. Virendra Nath Datt, Nominees of GAIL on the Board of Mahanagar Gas Limited are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 and 11 of this Notice for the approval of Members.

#### Item No. 12

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time, the total holdings of all Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) put together shall not exceed 24% of the paid-up equity capital of the Company. This limit of 24% can be increased to the sectoral cap/statutory limit, as applicable by the Company, by passing a Special Resolution to that effect by its Shareholders.

Present holding of FIIs in the Company is about 12.70% of paid up capital (as on March 31, 2018) and the same has shown an increasing trend. Larger investment by FIIs and FPIs in a Company is a sign of strong fundamentals of the Company which improves marketability and facilitates better price discovery of the Company's shares which in turn would enhance market capitalisation and Shareholders value. Accordingly, to make more space for FIIs/ FPIs to invest in the equity of the Company, the Board at its meeting held on May 21, 2018 has approved and recommended the proposal to increase the present limit of FIIs / FPIs shareholding in the company from 24% up to an aggregate limit of 40% of paid up equity share capital of the Company in one or more tranches.

In the opinion of the Board, the proposal for aforesaid increase in the investment limit of FIIs and FPIs in the Paid-up Equity Capital of the Company is in the interest of the Company and its Members. Accordingly, consent of the Shareholders is sought by way of a Special Resolution as set out as Item No.12 in the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No. 12 of this Notice.

The Board recommends the Special Resolution set out at Item No. 12 of this Notice for approval of the Members.

### Item No. 13

GAIL (India) Limited ("GAIL") is the largest state-owned gas transmission and marketing company in India and your Company purchases a substantial requirement of the 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 RLNG for its additional requirement through an approved competitive bidding mechanism from gas suppliers such as GAIL (India) Limited (GAIL), BG India Energy Solutions Private Limited (BGIES), Hazira LNG Private Limited (HLPL), Shell Energy Marketing and Trading India Private Limited (SEMTIPL), 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/term sheet with GAIL, BGIES, HLPL, SEMTIPL, GSPCL, BPCL, HPCL, IOCL 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the following entities may be treated as Related Parties for purchase of gas:-

i. GAIL (India) Limited

- ii. BG India Energy Solutions Private Limited
- iii. Hazira LNG Private Limited
- iv. Shell India Markets Private Limited
- v. Shell Energy Marketing and Trading India 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 SEBI (Listing Obligation 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.

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. Hazira LNG Private Limited, Promoter Group Entity 4. Shell India Markets Private Limited, Promoter Group Entity 5. Shell Energy Marketing and Trading India Private Limited, Promoter Group Entity
2	Name of the Director or Key Managerial Personnel, who is related.	Mr. Akhil Mehrotra, Chairman Mr. Sanjib Datta, Managing Director Mr. Goutam Ghosh, Whole Time Director Mr. Virendra Nath Datt, Director
3	The nature, duration of the contract and particulars of the contract or arrangement.	Mahanagar Gas Limited is in the business of City Gas Distribution. It purchases a substantial requirement of natural gas from GAIL (India) Limited. MGL purchases domestic gas through Government allocation of domestic Gas for CNG and Domestic PNG customers. MGL purchases SPOT 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 Shell Energy Marketing and Trading India Private Limited (SEMTIPL) for purchase and transportation of natural gas.

**A. Details of existing contracts entered with GAIL are as follows:**

1. APM Agreement (Administered Price Mechanism)
  - Nature: Long Term Gas Sales and Transportation Contract.
  - Duration: June 05, 2009 – March 31, 2021.
2. PMT Agreement (Panna Mukta Tapti Fields)
  - Nature: Long Term Gas Sales and Transmission Contract.
  - Duration: March 28, 2014 – Full Term.
3. Non- APM (for CNG Transport & PNG Domestic Segment) Term Sheet
  - Nature: Term Sheet
  - Duration: August 16, 2017 - July 06, 2021.
4. SPOT RLNG Contracts (Spot Gas Sale Agreement)
  - Nature: Short Term Spot Gas Sales Agreement.
  - Date of signing the agreement: November 29, 2010.
  - Existing agreement valid till July 31, 2021.
5. Gas Transmission Agreement
  - GTA dated January 02, 2008.
  - Duration: January 02, 2008 till January 01, 2033.

**B. Details of existing contract entered with HLPL is as follows:**

- Nature: Framework Gas Sale Agreement on RE basis.
- Date of signing the agreement: September 13, 2013.
- Validity: Till May 09, 2022.

**C. Details of existing contracts with BG India Energy Solutions Private Limited is as follows:-**

- Nature: Supply Framework Agreement on RE basis.
- Date of signing the agreement: November 13, 2009.
- Validity: Shall remain in effect unless terminated by either party.

**D. Details of existing contracts entered with SEMTIPL is as follows:-**

- Nature: Framework Gas Sale Agreement (FGSA) on RE basis.
- Date of signing the agreement: December 18, 2017.
- Validity: Till December 17, 2022.

**E.** Further, to meet requirement of natural gas as per business needs, the 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 BGIES, GAIL, HLPL, SIMPL & SEMTIPL not exceeding the monetary limits as mentioned in the notice of Annual General Meeting, subject to the approval of the Shareholders.

4	The material terms of the contract or arrangement including the value, if any;	Purchase of Domestic Gas from GAIL is through Domestic Gas allocation by MoPNG. Purchase of SPOT RLNG is through a Board approved process of competitive bidding in the ordinary course of business and at arm's length basis. Purchase of Gas from GAIL, HLPL, BGIES and SEMTIPL is as per the terms of the agreement/ term sheet.
5	Any advance paid or received for the contract or arrangement, if any;	NA

6	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;	<p><b>A. GAIL</b></p> <p>1. APM</p> <ul style="list-style-type: none"> <li>As per Article 10 of APM GSTC, subsequent Domestic Natural Gas Pricing Guidelines issued by MoPNG and Pricing orders/amendments from PPAC</li> </ul> <p>2. PMT</p> <ul style="list-style-type: none"> <li>As per Article 10 and Annexure 8 of PMT GSTC</li> </ul> <p>3. Non-APM (CNG-Transport &amp; PNG -Domestic)</p> <ul style="list-style-type: none"> <li>As per clause 16 of the Term Sheet</li> </ul> <p>4. SPOT RLNG</p> <ul style="list-style-type: none"> <li>As per Article 9 of Spot GSA.</li> </ul> <p>5. GTA</p> <ul style="list-style-type: none"> <li>According to the tariff orders of PNGRB</li> </ul> <p><b>B. HLPL</b></p> <ul style="list-style-type: none"> <li>As per Article 12 and relevant Supply Notice as defined in schedule 1 of Framework Gas Sale Agreement</li> </ul> <p><b>C. BGIES</b></p> <ul style="list-style-type: none"> <li>As per clause 9 and relevant Supply Proposal as defined in Schedule I of Supply Framework Agreement</li> </ul> <p><b>D. SEMTIPL</b></p> <ul style="list-style-type: none"> <li>As per Clause 12.2 and relevant Supply Notice as defined in Schedule 1 of FGSA.</li> </ul>
7	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and	YES
8	Any other information relevant or important for the members to take a decision on the proposed transaction.	---
9	Actual/Estimated Value of Transaction (for which approval sought)	₹ 2,150 Crores ( for the FY Ending on March 31, 2020)*

**\*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 February 08, 2018 and is recommended by the Board of Directors vide resolution passed at its meeting held on February 09, 2018 to the unrelated shareholders of the Company for their approval.

The Board of Directors therefore recommends the resolution as set out in Item No.13 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 or Key Managerial Personnel of the Company or their relatives except Mr. Akhil Mehrotra, Chairman and Mr. Goutam, Ghosh, Whole Time Director Nominees of BG Asia Pacific Holdings Pte. Limited and Mr. Sanjib Datta, Managing Director and Mr. Virendra Nath Datt, Director Nominees of GAIL, are in any way, concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 13 of this Notice for approval of the Members.

#### **Item No. 14**

Based on the recommendation of Nomination and Remuneration Committee, Mr. Satish Gavai, nominated by Government of Maharashtra, was appointed by the Board of Directors, as an Additional Director of the Company effective from July 31, 2018.

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. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for appointment as a Director of the Company.

#### **Brief Resume of Mr. Satish Gavai**

Shri. Satish M. Gavai, an Indian Administrative Services (IAS) officer of the 1984 batch belonging to the Maharashtra cadre has graduated in B.Sc Physics and Master in Professional Studies, Cornell, US.

Shri. Gavai is presently the Additional Chief Secretary (Industries), Government of Maharashtra. He has been constantly serving the State and the Country for more than 30 long years and handled the major profiles such as of Additional Chief Secretary – Environment Department, Mumbai, Chief Executive Officer – MIDC, Mumbai, Managing Director – MTDC, Mumbai, Vice President & CEO – MHADA, Mumbai, Additional Municipal Commissioner – MCGM, Mumbai, and many more.

Shri. Gavai has been constantly monitoring the Ease-of-Doing-Business initiative taken by Government of Maharashtra with a motive of improving the ranking of Maharashtra in India.

Details required pursuant to Regulation 36 of the "SEBI LODR" , of Mr. Satish Gavai is provided as Annexure to the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Satish Gavai, are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 14 of this Notice for approval of the Members.

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



**Alok Mishra**

Company Secretary & Compliance Officer

Place: Mumbai

Date : July 31, 2018

## ANNEXURE TO THE AGM NOTICE

Details of Directors seeking Appointment / Re-Appointment at the Annual General Meeting  
(In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015)

Name of the Director	Mr. Virendra Nath Datt	Mr. Rajeev Mathur	Mr. Goutam Ghosh	Mr. Raj Kishore Tewari	Mr. Premesh Kumar Jain
Director Identification No	07823778	03308185	075294446	07056080	02145534
Date of Birth	February 20, 1962	December 16, 1960	February 25, 1958	July 05, 1954	April 15, 1955
Date of Appointment / re-appointment	May 28, 2017	September 29, 2017	November 20, 2017	March 05, 2018	April 09, 2018
Chairman/Member of the Committees of the Board of Directors of the Company	Member- Audit Committee Nomination and Remuneration Committee.	NA	Member - Corporate Social Responsibility Committee and Stakeholders Relationship Committee.	Member - Corporate Social Responsibility Committee Chairman - Audit Committee and Stakeholders Relationship Committee.	NIL
List of other Companies in which Directorship held	NIL	NA	NIL	1. Shipping Corporation of India Limited	NIL
Chairman/Member of the Committee of Board of Directors of other Companies	NIL	NA	NIL	Shipping Corporation of India Limited Chairman - Stakeholders Relationship Committee Member - Corporate Social Responsibility Committee	NIL
Shareholding in the Company	NIL	NA	NIL	NIL	NIL
Relationship with other Director	No	No	No	No	No
Name of the Director	Mr. Sanjib Datta	Mr. Satish Gavai			
Director Identification No	07008785	01559484			
Date of Birth	December 07, 1962	August 30, 1959			
Date of Appointment/re-appointment	May 30, 2018	July 31, 2018			
Chairman/Member of the Committees of the Board of Directors of the Company	Member - Corporate Social Responsibility Committee and Stakeholders Relationship Committee.	NIL			
List of other Companies in which Directorship held	NIL	NIL			
Chairman/Member of the Committee of Board of Directors of other Companies	NIL	NIL			
Shareholding in the Company	NIL	NIL			
Relationship with other Director	No	No			



## MAHANAGAR GAS LIMITED

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051  
CIN: L40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 26528925  
Website: [www.mahanagargas.com](http://www.mahanagargas.com) | Email : [info@mahanagargas.com](mailto:info@mahanagargas.com)

### TWENTY THIRD 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 Third Annual General Meeting** of the Company being held on Monday, September 17, 2018 at "IES Manik Sabhagriha" Auditorium, Vishwakarma M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai - 400 050 at 11:00 a.m.

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

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051  
CIN: L40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 26528925 | Website: [www.mahanagargas.com](http://www.mahanagargas.com) | E-mail: [info@mahanagargas.com](mailto: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]

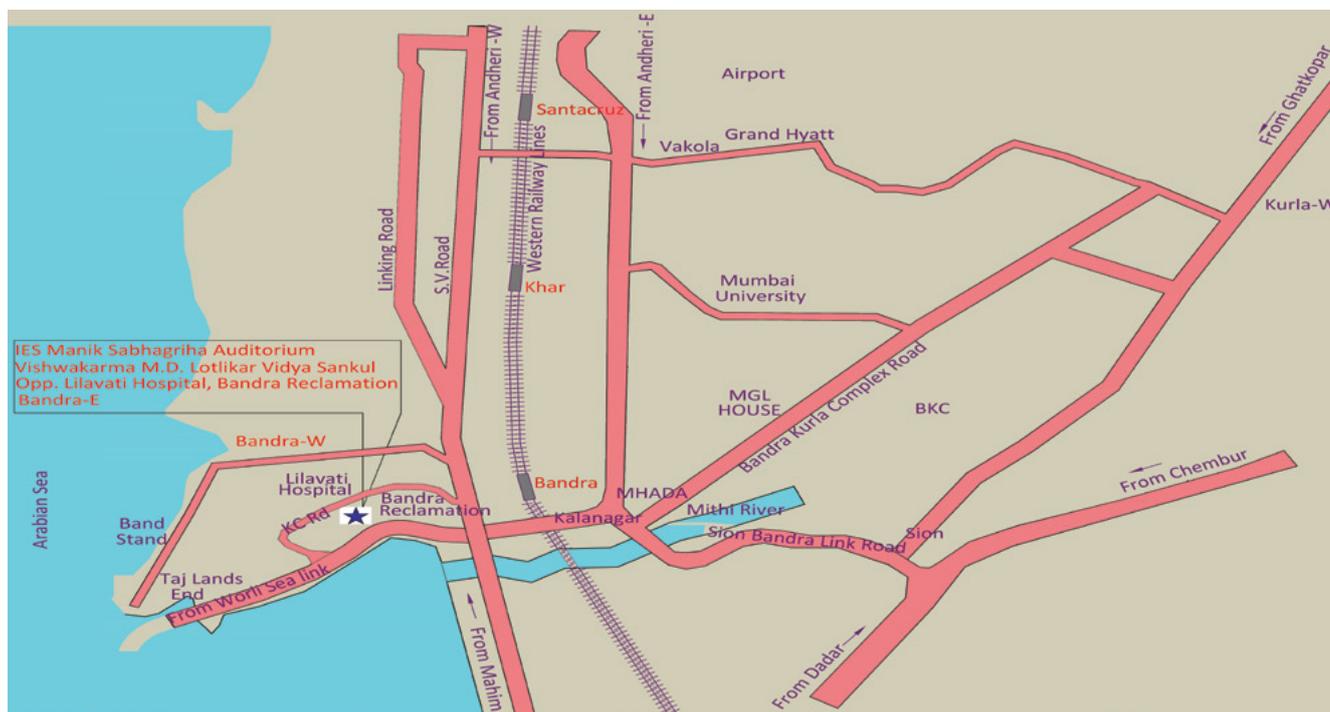
Name of the member (s):..... E-mail Id:.....  
Registered address:..... DP ID/Client ID/ Folio No:.....

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

1. Name:.....  
Address .....having  
e-mail id..... or failing him/her
2. Name:.....  
Address .....having  
e-mail id..... or failing him/her
3. Name:.....  
Address ..... having  
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 23rd Annual General Meeting of the Company, to be held on Monday, September 17, 2018 at "IES Manik Sabhagriha" Auditorium, Vishwakarma M. D. Lotlikar Vidya Sankul, Opp. Lilavati Hospital, Bandra Reclamation, Bandra (West) Mumbai - 400 050 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

### Route map for the venue of the Annual General Meeting



Sr. No.	Resolution	Vote/s		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon.			
2	To confirm the payment of Interim Dividend of ₹8.00 per equity share, already paid and to declare the final dividend of ₹11.00 per equity shares for the financial year ended on March 31, 2018.			
3	To appoint a Director in place of Mr. Virendra Nath Datt (DIN: 07823778), who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ratification of Appointment of Auditors.			
<b>SPECIAL BUSINESS</b>				
5	Ratification of Cost Auditor's remuneration.			
6	Confirmation of re-appointment of Mr. Rajeev Kumar Mathur (DIN:03308185) as Managing Director and approval of terms and conditions.			
7	Appointment of Mr. Goutam Ghosh (DIN: 07529446) as a Whole-Time Director.			
8	Re-appointment of Mr. Raj Kishore Tewari (DIN:07056080) as an Independent Director.			
9	Appointment of Mr. Premesh Kumar Jain (DIN: 02145534) as an Independent Director.			
10	Appointment of Mr. Sanjib Datta (DIN: 07008785) as Director.			
11	Appointment of Mr. Sanjib Datta (DIN: 07008785) as Managing Director.			
12	Enhancement in aggregate Foreign Investment limit for Investment by Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) put together from 24% to 40% of the paid-up equity share capital of the Company.			
13	To approve Material Related Party Transactions.			
14	To appoint Mr. Satish Gavai (DIN:01559484) as Non-Executive Director.			

Signed this.....day of.....2018

Signature of Proxy holder(s): \_\_\_\_\_  
 First Second Third

Affix  
Revenue  
Stamp

Signature of Member:

**NOTES:**

- 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.
- The Proxy Form should be signed across the stamp as per specimen signature registered with the R&TA/Depository Participant (DP).
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 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.