



MAHARASHTRA NATURAL GAS LIMITED

(A Joint Venture of GAIL (India) Ltd. and Bharat Petroleum Corpn. Ltd.)

PROGRESSING TOWARDS
A **GREENER TOMORROW...**



ANNUAL REPORT 2014-2015

INDEX

Content	Page No.
Board of Directors	03
Directors' Report	04
Auditors' Report	49
Balance Sheet	58
Statement of Profit and Loss	59
Cash Flow Statement	60
Notes	61

BANKERS

Bank of Maharashtra
Corporate Finance Branch, F.C. Road
Pune -411005

Corporation Bank
Shivajinagar Branch, Shivajinagar
Pune – 411005

Axis Bank
Senapati Bapat Marg, Pune- 411016

STATUTORY AUDITORS

M/s P.G. Bhagwat
Chartered Accountants
Suite 101-102, Orchard, Dr. Pai Marg, Baner,
Pune - 411 045 India

COST AUDITORS

M/s Joshi Apte & Associates
Cost Accountants
“CMA Pride”, First Floor, Plot No.6,
S.No. 16/6, Erandawana, Pune – 411 004

SECRETARIAL AUDITOR

M/s Rajas Bodas & Associates
Company Secretaries
1346, Sadashiv Peth, 1B Amruta Apartments
Pune 411030

COMPANY SECRETARY

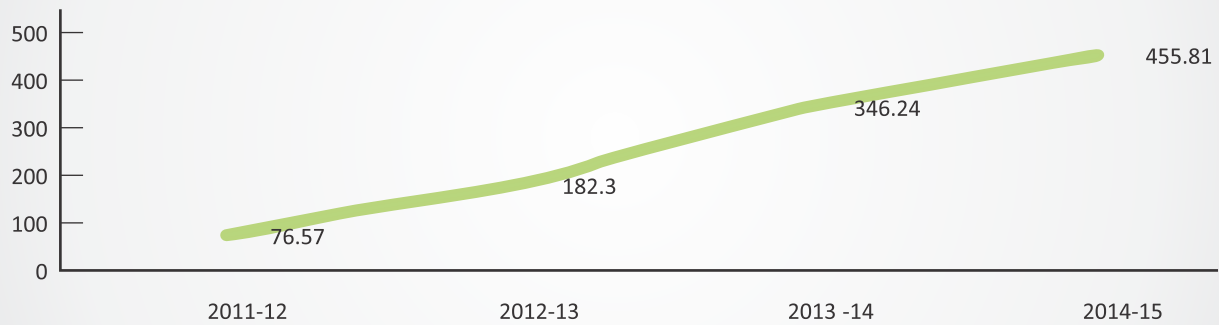
Ms.Ritu Aggarwal

REGISTERED OFFICE

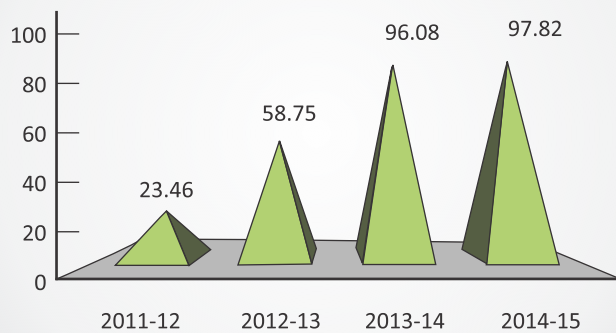
Plot No. 27, Narveer Tanajiwadi,
PMT Bus Depot Commercial Bldg.,
1st Floor, Shivaji Nagar, Pune- 411005

FINANCIAL PERFORMANCE AT GLANCE

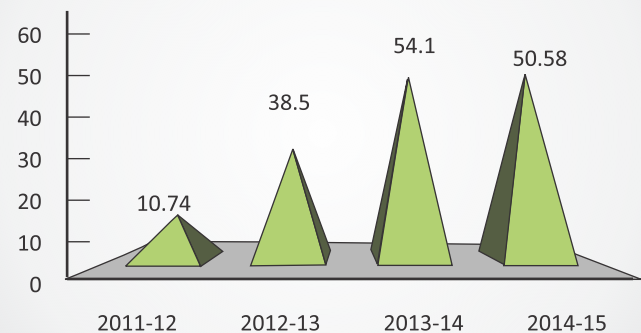
Turnover (Rs. in Crores)



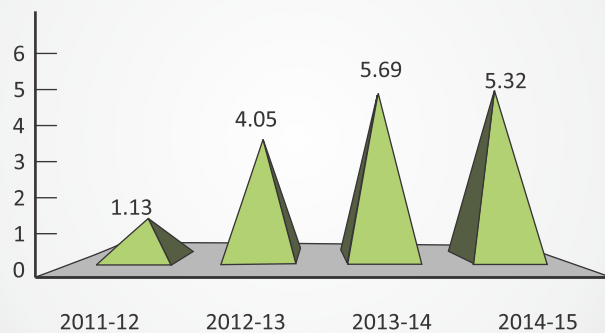
EBITDA (Rs. in Crores)



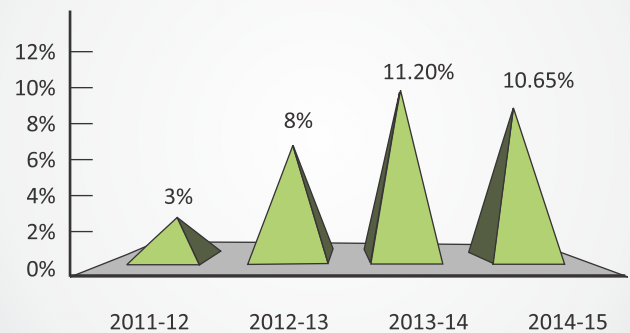
Profit after Tax (Rs. in Crores)



Earning Per Share (Rs.)



Dividend (%)



BOARD OF DIRECTORS



Shri B.N.Gosain
Managing Director (Till 01.02.2015)



Shri I.S.Rao
Chairman



Shri A.M.Tambekar
Managing Director (W.e.f. 17.03.2015)



Shri J. Vedagiri
Director (Commercial)
Director (W.e.f. 19.08.2014)



Shri Gajendra Singh



Shri Vinod Giri
Nominee Director
(w.e.f. 24.06.2014 till 27.03.2015)



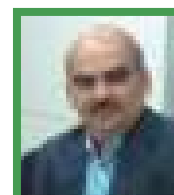
Shri Krishna Kumar
Director
(Till 27.03.2015)



Shri Rajesh Babulal Pande
Independent Director
w.e.f. 28.03.2015



Ms. Padmini Khare Kaicke
Independent Director
w.e.f. 28.03.2015



Shri Deepak Kumar Jamsaheb Mukadam
Independent Director
w.e.f. 22.04.2015



Shri Narendra Kumar
Nominee Director w.e.f. 06.05.2015



Shri Ashim Batra
Nominee Director w.e.f. 17.06.2015

*Mr. Shyamsunday S.G. Resigned from the Company w.e.f. 27.05.2014

**Mr. C.K.Jain has resigned from Company w.e.f 31.07.2014



DIRECTORS' REPORT

To,

The Members,

Your Directors take pleasure in presenting the Ninth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2015 together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

1.FINANCIAL REVIEW

Your Company has achieved commendable financial performance in terms of turnover. During the FY 2014-15, your Company has achieved the turnover of Rs. 455.81 Crores, registering an impressive growth of 31.64% over previous year. During the year FY 2014-15, your Company has achieved Profit after tax of Rs. 50.58 Crores.

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

Particulars	For the Year	
	2014-15 (₹ in Crores)	2013-14 (₹ in Crores)
Net Sales	455.81	346.24
Other Income	3.41	1.11
Profit before Depreciation and Tax	92.47	91.29
Depreciation & Amortization of Expenses	14.58	8.80
Profit before Tax	77.89	82.49
Provision for Tax including deferred tax	27.31	28.39
Profit after Tax	50.58	54.10
Profit brought forward from previous years	72.59	30.94
Profit available for appropriation	123.17	85.04
APPROPRIATIONS		
Interim Dividend	7.13	-
Proposed Final Dividend	3.04	10.64
Corporate Dividend Tax	2.04	1.81
Transferred to General Reserve/carried forward	110.91	72.59

Net worth per share has increased from ₹17.64 in 2013-14 to ₹21.67 in 2014-15 signifying sound return on investment coupled with sizeable amount of profit ploughed back into the business.

2. APPROPRIATIONS

DIVIDEND

Your Company is consistently distributing the dividend from FY 2011-12.

- The Board of Directors of your Company had earlier approved payment of an interim dividend @ 7.5% (Rs. 0.75 per equity share) on equity share of Rs.10 each amounting to Rs. 7.13 Crores, which was paid in March, 2015. Further, the Board has recommended payment of final dividend @ 3.15% (Rs. 0.32 per equity share) on equity share of Rs.10 each for 2014-15 amounting to Rs. 3.04 Crores.
- With this, the total dividend payment for the fiscal year 2014-15 will be 10.65% (Rs. 1.07 per equity share) on equity share of Rs. 10 each amounting to Rs. 10.17 Crores on its paid-up equity capital and dividend distribution tax of Rs. 2.04 Crores. The total dividend pay-out including corporate dividend tax accounts for 24.14% of Profit after Tax.
- The payment of dividend, after your approval at the forthcoming Annual General Meeting, will be made in accordance with the regulations applicable at that time.

3. TRANSFER TO RESERVES

The Company proposes to carry Rs. 110.91 Crores to the Reserves which is left after paying dividend of Rs. 12.21 Crores (including Dividend Distribution tax) from net profits of Rs. 50.58 Crores.

4. FIXED DEPOSITS

We have not accepted any Deposits within the meaning and in excess of limits prescribed under Companies Act, 2013 read with Companies acceptance of Deposits Rules, 2014, as such, no amount of principal or interest payment was outstanding as on the Balance Sheet date.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

6. SHARE CAPITAL AND FINANCIAL CLOSURE OF MAHARASHTRA NATURAL GAS LIMITED

- During the year under review, 4,75,00,000 Shares of IDFC Private Equity Fund II, IL&FS Trust Company Limited, PAN Asia Infrastructure Asset Management Co. Pte Ltd and Axis Bank Limited was transferred to Indraprastha Gas Limited. Board of Maharashtra Natural Gas Limited has accorded approval for the issuance of 50,00,000 shares on Right basis to existing shareholders for Equity closure. Subsequent to opening the offer of Right issue, 50,00,000 shares were allotted to Maharashtra Industrial Development Corporation Limited (MIDC) in continuation with the earlier right issue to Existing Shareholders.
- Thus, with the allotment of equity share capital to MIDC, the paid-up and subscribed share capital of Maharashtra Natural Gas Limited has been increased from Rs. 95 Crores to Rs. 100 Crores.
- Further to this, IDFC Private Equity Fund II, IL&FS Trust Company Limited and Axis Bank Limited transferred balance 25, 00,000 Shares to Indraprastha Gas Limited which made Indraprastha Gas Limited as 50% shareholder of Maharashtra Natural Gas Limited



7. COMPANY PERFORMANCE

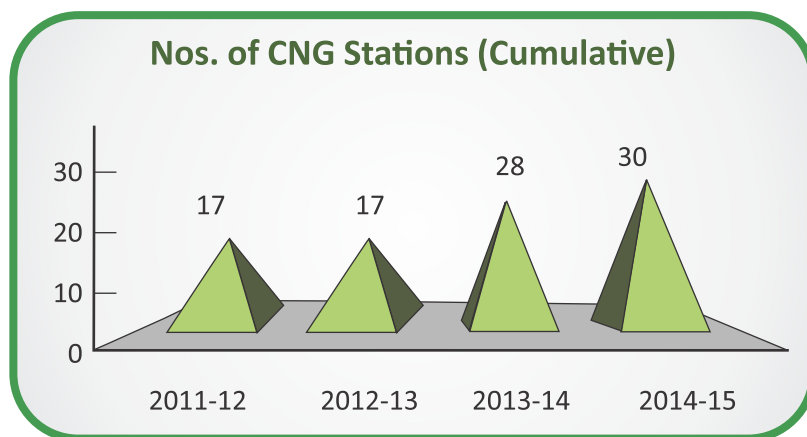
During the year, the Company recorded sales as under:

(Figures in mmscm)

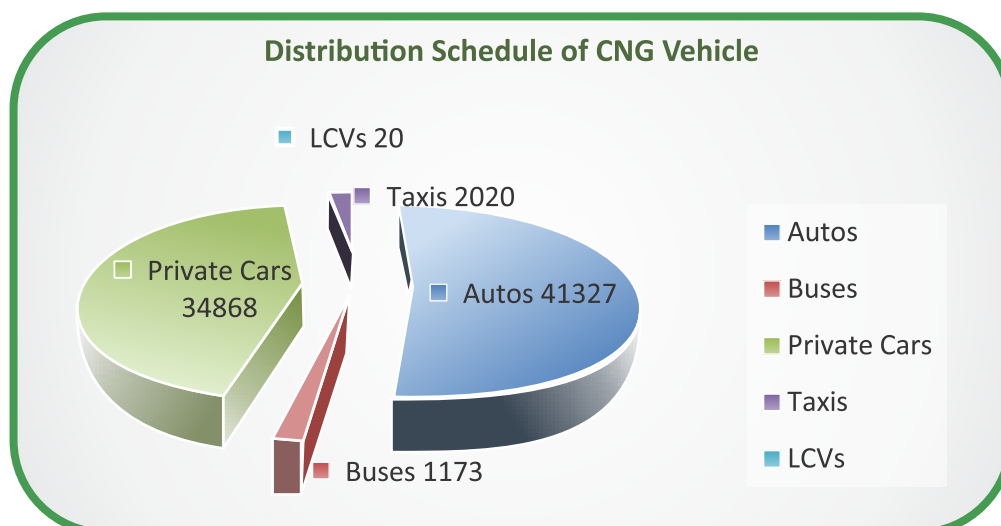
Particulars	For the Year 2014-15	For the Year 2013-14	% Growth (YoY)
Compressed Natural Gas (CNG)	105.35	79.08	33.22%
Piped Natural Gas (PNG)	1.97	33.27	26.15%
Total	47.32	112.35	31.12%
Average Sales per day (mmscmd)	0.40	40.308	31.17%

a. Compressed Natural Gas Business (CNG)

During this year 2014-15, CNG business has performed very well. Your Company further augmented its CNG distribution infrastructure by enhancing capacity of existing stations and adding 2 new CNG stations - taking the total number of CNG Stations to 30 at the end of the Financial year. Additionally, 3 Daughter Booster stations were converted to online on account of pipeline connectivity being established to the stations. The cumulative compression capacity has increased to 28350 scmh during FY 2014-15 from previous year's cumulative compression capacity of 22800 scmh(24.34% increase).



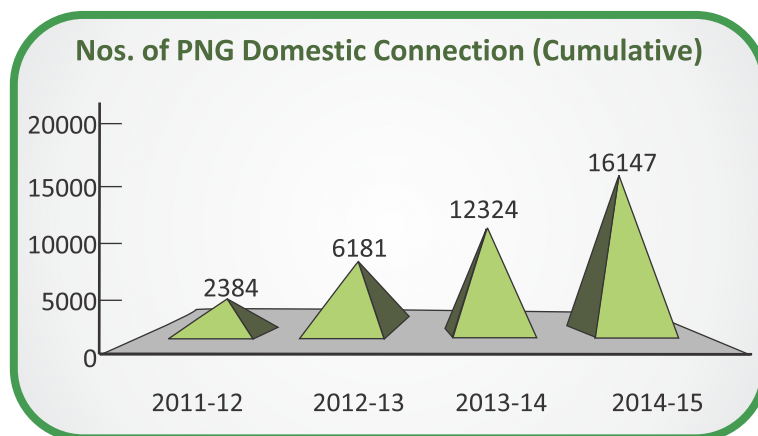
The number of vehicles operating on CNG as in July 2015 end were more than 82,000, showing a YoY growth of around 25%. MNG L currently refuels around 1230 buses, around 40,000 four wheelers and 42,000 three wheelers in addition to few vehicles from the Municipal Garbage Department and the Postal Department



b. Piped Natural Gas (PNG) - Domestic Connections:

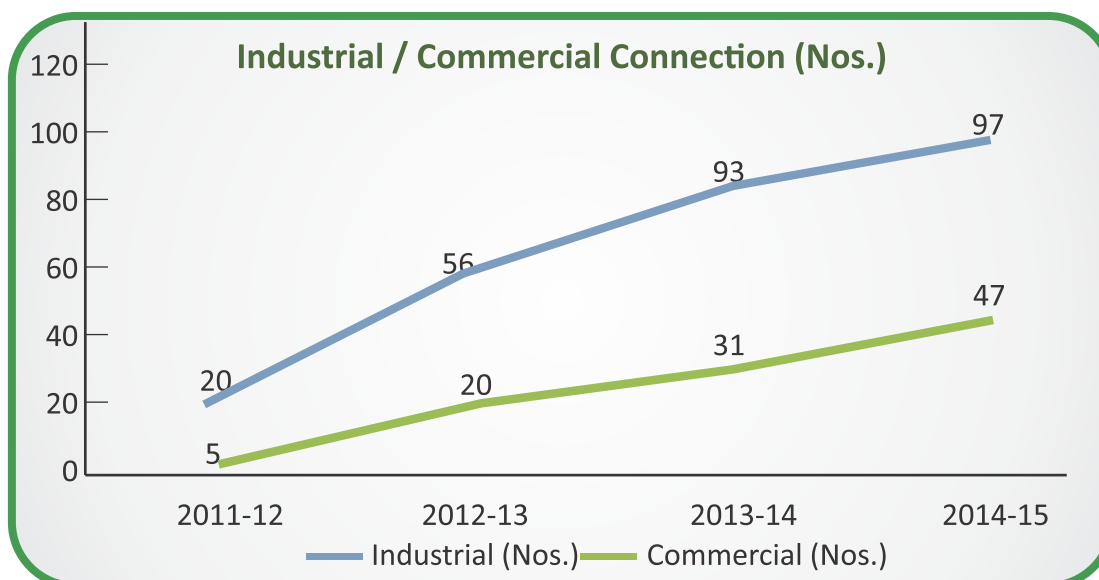
The Company has continued expansion of Piped Natural Gas distribution infrastructure in various areas of PMC which includes Model Colony, Apte Road, Amanora Park Town, Magarpatta City in Hadapsar, Kothrud and in PCMC which includes Akurdi, Nehru Nagar Extension & Vallabh Nagar, Chikali Moshi, Indrayani Nagar & Chakan. New areas such as Kharadi, Vimannagar, Warje, Nanded city, Pimpale Saudagar, Wakad, Hijewadi, Chinchwad has also been identified & work has commenced in these areas.

Your Company has provided PNG connection to around 16147 domestic customers till FY 2014-15 and continued to increase greater coverage for domestic customer across Pune.

**c. PNG - Industrial & Commercial Connection:**

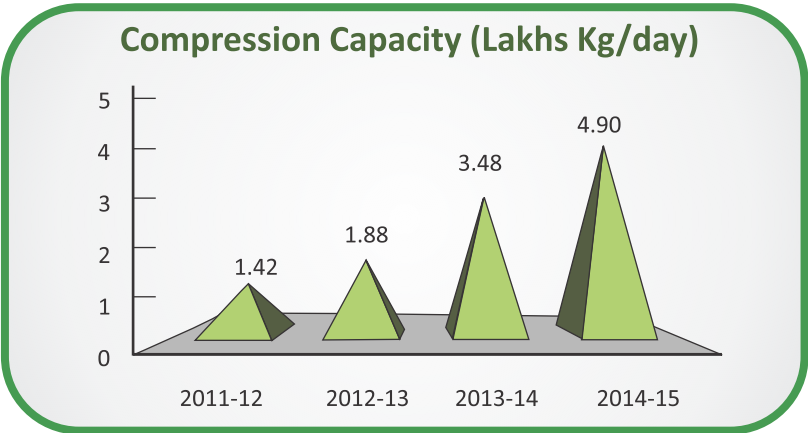
Your Company has maintained its focus on the Industrial and Commercial segment as one of the potential growth areas in the forthcoming years. Total nos. of Commercial Customers has increased from 31 in March 2014 to 46 in March 2015 which includes "The Westin" as our largest commercial customer and the very prestigious "Amanora Mall". Industrial customers has been increased from 83 in March 2014 to 98 in March 2015 by connecting major automobile Companies like General Motors, Volkswagen, Mercedes Benz, Mahindra & Mahindra. Commercial Sales volume grew by 91.30 % and Industrial Sales volume has grew up by 25.68 % over the previous year. The Company continues to expand its network to reach various Industrial units in the surrounding areas.

During the year, Your Company has laid a network of 47.54 Kms MDPE pipeline and 5 Kms of Steel Pipeline. As on date, your Company has laid a network of 273.09 Kms MDPE pipeline and 136.13 Kms of Steel Pipeline to cater to Vehicular, Industrial, Commercial and Domestic Customers in Pune & Pimpri Chinchwad, Hinjewadi and Chakan & Talegaon.

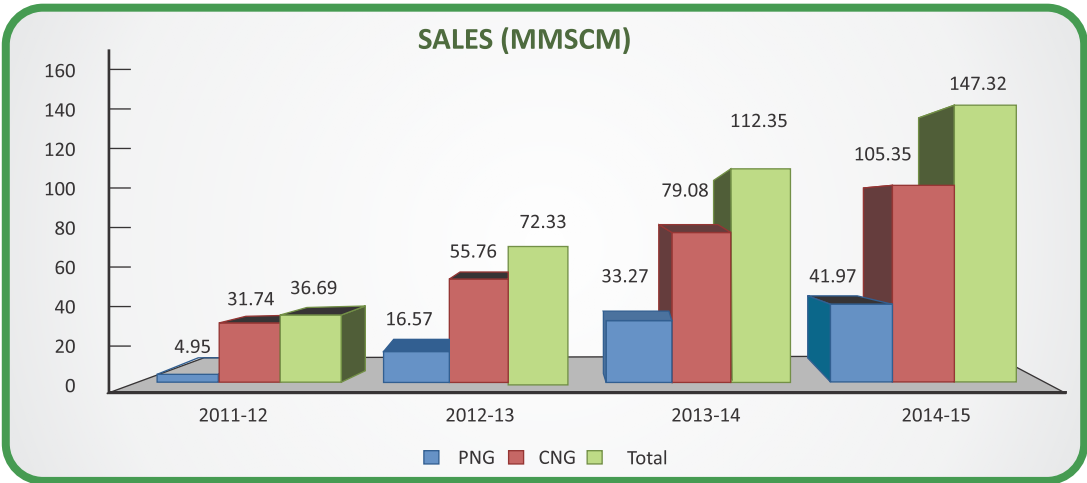


8. PROGRESS OF THE PROJECT

Stations were converted to Online Stations during the course of the yearYour Company has 5 Mother Stations at Chikali, Sant Tukaram Nagar, Shivaji Nagar, Kothrudand Hadapsar - with new Mother Stations being planned at PMPML Depots at Nigdi and Katraj. 3 existing Daughter Booster. Your Company is currently servicing more than 82,000 CNG vehicles through 13 Daughter Booster Stations and 13 Online Stations - most of which operate 24 x 7, in addition to retail sales from Mega Mother Station at Chikali.



With increase in compression capacity and increase in CNG & PNG customer base, the average sale per day has increased from 0.308 mmscmd in FY 13-14 to 0.404 mmscmd in FY 14-15.



9. FUTURE OUTLOOK

The principal business of your Company is distribution of natural gas in the form of PNG & CNG, which is a convenient and cleaner fuel and helps users to reduce the pollution levels.

Your Company plans to make a significant investment in CGD infrastructure to expand its existing steel & PE pipeline network by an additional 250 Km steel and 1000 Km MDPE over the next 5 years.

In CNG, MNGL is intending to expand its CNG customer base & serve them effectively by setting up 150 more CNG stations in addition to conversion of existing DBS to online stations and thus increasing the compression capacity in the next 5 years. The city bus service provider of Pune - PMPML is also aggressively increasing its fleet of CNG buses. This number is expected to reach over 1700 by the end of FY 2015-16 and a further addition of around 500 buses per year is expected. Introduction of newer CNG variant models by different vehicle manufacturers & conversion of petrol driven private vehicles into CNG mode due to the price differential of CNG versus alternate liquid fuel will continue to add to CNG sales.

MNGL is also interacting with major builders and developers to provide PNG facility in their upcoming residential projects. Builders like Kolte Patil, Ishwar Parmar Group, Empire Builder, Paranjpe Developer, GK Associates and many others are expected to add approximately 2 Lakh domestic connections in the next 5 years. This will help your company to optimize use of its assets and infrastructure. Company has aggressive plans to expand its pipeline infrastructure in the areas of Kharadi, Hadapsar, Warje, Kothrud, Kalyani Nagar etc. in PMC and Pimple Gurav, Pimple Saudagar, Chinchwad, Dapodi, Wakad & Hinjewadi etc. in PCMC. MNGL is targeting to achieve a daily sales volume of additional 200000 scmd from industrial and commercial customers in the next 5 years. This will include Government organizations like Ammunition Factory Khadki (AFK) and High Explosive Factory (HEF). As well as large scale private customers like Bharat Forge and Tetrapak are expected to contribute to MNGL's growth for assured rise in industrial and commercial daily sales volumes. Efforts have also been initiated to supply PNG to the industrial units at Urse initially through R-LNG supply till pipeline connectivity is established.



Commissioning of Daughter Booster Station at Punawale



10. REGULATORY DEVELOPMENTS

Petroleum & Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9th April'2012 determined the Network Tariff and Compression Charges for Indraprastha Gas Limited, Delhi (IGL) which was much lower than as submitted by IGL to the PNGRB. Resultantly, the said Order also prescribed reduction in final selling price to reflect a reduction in Network Tariff and Compression Charges. Further, PNGRB made the determined tariffs applicable with retrospective effect from 1st April 2008.

IGL challenged the said Order of the PNGRB in Delhi High Court. The Delhi High court vide its judgment delivered on 1st June 2012 has held that PNGRB is not empowered to fix or regulate maximum retail price (including components thereof such as Network Tariff and Compression Charges) at which gas is to be sold by IGL to its consumers. The Honorable Court has quashed PNGRB order dated 9th April' 2012.

PNGRB then filed a 'Special leave petition' in the Hon'ble Supreme court appealing the Hon'ble High Court order dated 1st June 2012. To protect its interest, MNGL has also filed Intervention Application (IA) in Hon'ble Supreme court, and has filed its reply to the PNGRB's petition.

PNGRB has submitted in the Honorable Supreme court that it did not desire to regulate the price of the gas sold to the customers and the Delhi High Court had erred in finding that this litigation was about price regulation. PNGRB wanted that CGD entities should make disclosure to the PNGRB and public/customers regarding the break-up of the price being charged. PNGRB also pointed out that the Central Government's letter of February 2014 also asked for the disclosure of price components and break-up. The Court has ordered the respondents to reply to the PNGRB's application within 2 weeks (i.e. by 18 July, 2014) and the PNGRB filed a rejoinder within 1 week thereafter (i.e. by 25 July, 2014).

Subsequent hearing before court took place and Supreme Court's has passed the judgment on 1st July'15 as following:

"The present appeal, by special leave, calls in question the legal defensibility and the tenability of the judgment and order dated 01.06.2012 passed by the High Court of Delhi in W.P.(C) No. 2034 of 2012 whereby the Division Bench has ruled that Petroleum and Natural Gas Regulatory Board (for short, "the Board") is not empowered to fix or regulate the maximum retail price at which gas is to be sold by entities such as Indraprastha Gas Ltd, to the consumers and further the Board is also not empowered to fix any component of network tariff or compression charge for an entity having its own distribution network. On the aforesaid foundation, the High Court has opined that the provisions of Petroleum and Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Natural Gas Distribution Networks and Compression Charge for CNG) Regulations, 2008 (hereinafter referred to as "the Regulations") as far as it is construed to empower the Board to fix the tariff is unsustainable and accordingly as a sequitur the order dated 9.4.2012 to the extent of fixing the maximum retail price or requiring the respondents to disclose the entire tariff and the compression charges to its consumers, is not in consonance with the Petroleum and Natural Gas Regulatory Board Act, 2008 (for brevity "the Act"), and accordingly quashed the same.

11. TOWARDS CUSTOMER DELIGHT

In view of the changing dynamics in the business environment, the Company has been proactive in taking various initiatives towards Customers delight. Your Company has an interactive customer care cell in order to redress the grievances of the customers to enhance customer satisfaction level. The Customer Redressal Mechanism is in place to resolve the issues of customers. The company has also initiated the Digitization activities as listed by MoPNG for Online activities like PNG connection request, Dealer Feedback & Grievance Redressal and has completed the activities of Online

Payment, E-Bill facility Service Request etc. Your Company is also in process of launching an application for benefit of all the customers.

12. INFORMATION TECHNOLOGY

We are pleased to announce that MNGL's Project "Lakshya" has been successfully gone live from 26th September, 2014. MNGL has implemented Materials, HR, PM, ISU and FI modules in SAP and started using the same. There was migration to SAP system and entire data base is integrated. All the departments are very pro-active in leveraging SAP and suggesting new ways to provide up-to-date, real time and detailed data for analysis.

13. HUMAN RESOURCES

During the year, your Company has been investing in progressive employee relations practices to ensure that it invests in capability at the grass root level. Your Company enjoyed harmonious and cordial human relationship amongst all its employees. Your Company undertook various HR initiatives to further infuse professionalism in the workforce, such as performance management system and streamlining other HR Policies. Your Company has set up a scalable recruitment and human resources management process, to attract and retain high-caliber employees.

Your Company focuses on employee development on a continuous basis. With the aim of encouraging a competitive spirit and winning attitude to take on future challenges, keen attention is given to training programs and workshops. During the year, 68 numbers of employees were in employment in the company. 34 aspects of business areas are covered and 49 employees were accorded training. Also a large number of contract workmen which includes DSM's, Patrolling men and Control Room Staff were regularly trained on safe operations.

There has been continuous emphasis on building capabilities & learning for all employees aimed at better Organizational performance. The Company is reviewing all other HR policies to make them more competitive and aligned with best industry practices.

14. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company's HSE policy is to conduct business with a robust and integrated Health, Safety and Environment (HSE) Management System focused on improving harmony with the environment through sustainable development. Safety and Health of its people is of paramount importance for your Company and these attributes are embedded in the core organizational values of your Company. Employees and Contract Workers in your Company are strongly encouraged to adopt safe working culture and behaviour to ensure effective implementation of the HSE Policy. Your Company identifies all the Health, Safety and Environment hazards, evaluates the associated risks and manages these through effective and appropriate control programs and deployment of latest technology.

In line with Company's HSE policy, regular Safety Audits by fire and safety team are carried out to ensure safety in all facets of Company's operations. Tripartite agreement between projects, O&M and Safety is regularly implemented to facilitate commissioning of major installations. Hazard and near miss reporting has been implemented to take preventive actions. Third party incidents have reduced from 30 to 13 in this FY due to close liaisoning with other diggings agencies, placing of excavation supervisors and implementation of 'Dial before Dig' campaign.

Regular safety training is being imparted to employees, contract staff and consumers of CNG and PNG. A special mobile training Van has been hired to facilitate on the spot training at site and housing society safety awareness. Innovative Safety awareness in the form of Radio Jingles to educate the consumers coming for CNG filling and PNG consumers for

action to be taken in case of gas leaks are regularly aired on FM radio "Radio One".

Four Emergency Control rooms have been established at strategic locations across PMC, PCMC and Chakan and manned round the clock to respond quickly to any gas leak or emergency situation. Offsite mock drill was successfully conducted leading to ERDMP recertification of MNGL response plan in presence of PNGRB approved agency.



• **CGD Network Safety**

One of the primary concerns with respect to gas distribution is the safety and security of the pipeline network. The network of pipelines being used to distribute the gas needs to be maintained at the highest operating and safety level, because any leakage can lead to catastrophic accidents. The safety regulations/guidelines are given the highest priority while taking up the CGD activities. The safety guidelines have been framed by the Oil Industry Safety Directorate (OISD), a technical body under the Ministry of Petroleum and Natural Gas (MoP&NG). All the Pipeline network of the Company has been fully patrolled regularly.

OISD-179 sets the guidelines for safety requirement on compression, storage, handling, refueling of natural gas for use in automotive sector. All safety facilities at CNG stations are as per the guidelines of OISD-179 and GCR 2004. Additionally, Safety at CNG stations is monitored by PESO, especially during construction phase.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country. Therefore, it has made Corporate Social Responsibility (CSR) an integral part of its ethos and culture. Your Company always laid emphasis on the sustainable development of the society and environment.

During FY 2014-15, Your Company has developed Corporate Social Responsibility Policy pursuant to section 135 of Companies Act, 2013. The policy covers matters in the field of promoting gender equality, promoting education, eradicating hunger, poverty, skill development etc. The policy intends to strive for economic development that positively impacts society at large by way of optimum utilization of resources.

The Annual Report on CSR activities in accordance with the companies (Corporate Social Responsibility) Rules, 2014, is appended as **Annexure "A"** to this report.



Vocational Training Program (Back-hoe Loader training) under CSR Initiative

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 is appended as **Annexure "B"**

17. PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration exceeding the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

18. DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013, directors, to the best of their knowledge and belief state that:

- A.** In the preparation of Annual Accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed;
- B.** They had selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- C.** They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities; and
- D.** They had prepared the Annual Accounts for the Financial Year ended 31st March, 2015 on a going concern basis.
- E.** The directors had laid down an established internal financial control framework including internal controls over

financial reporting, operating controls and for the prevention and detection of fraud and errors. The framework is reviewed periodically by Management and tested by the internal auditors and statutory auditors. Based on the periodical testing the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls.

- F. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. CORPORATE GOVERNANCE

Your Company believes that good corporate governance is critical in establishing a positive organizational culture. The new Companies Act, 2013 have strengthened the governance regime in the country. At MNGL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. In line with the requirements of these core values and new law, the Company through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefits of its stakeholders.

20. AUDITORS:

• Statutory Auditors & Audit Report

The Statutory Auditors of your Company is appointed by the Comptroller & Auditor General of India (C&AG). M/s PG Bhagwat, Chartered Accountants (Firm Registration No. 101118W) were appointed as the Statutory Auditors for the Financial Year 2014-15.

The Statutory Auditors have been paid a remuneration of Rs. 2.25 Lakh towards audit fee. The above fees are exclusive of applicable service tax and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

The Report given by the Statutory Auditors on the financial statements for FY 2014-5 and the Comments of Comptroller & Auditor General of India (C&AG) forms part of the Annual Report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report and there are no supplementary comments by C&AG pursuant to provisions of Companies Act, 2013. Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

• Cost Auditors

During the year 2013-14, M/s Joshi Apte & Associates, Cost Accountants, were appointed as the Cost Auditors to conduct Audit of cost accounting records maintained by the Company.

The due date for filing cost audit reports for the financial year ended 31st March, 2014 was 30th September, 2014 and the same were filed to Registrar of Companies on 27th September, 2014. The letter regarding maintenance of Cost Records for the year ended 31st March, 2015 was successfully submitted to the Company on 7th August, 2015.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013. the Board of Directors of our Company has re-appointed M/s. Joshi Apte & Associates., Cost Accountants, as Cost Auditors for the financial year 2015-2016 at the remuneration of Rs. 1,10,000/- (plus applicable taxes and duties) and out of pocket expenses for travelling, stay, local conveyance etc. on actual basis.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

- **Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, Your Company had appointed M/s Rajas Bodas & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report confirming compliance by Practicing Company Secretary to applicable provisions of the Companies Act 2013 and other applicable laws forms part of this report as "**Annexure C**" to this Report.

The observations made by secretarial auditor in his Audit report are as under:

- Company did not have independent directors on its board till 27th March, 2015. Hence the Composition of various committees prescribed by the Companies Act, 2013 like Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Audit Committee was not strictly in compliance with the respective sections, to the extent of participation of independent directors.
- The Company has not constituted an internal complaints Committee as contemplated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However the Company has a few provisions in protection of its women employees as per its Service rules.
- The company has not satisfactorily complied with the half yearly reporting provisions of Section 3(3) of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and rules made there under.

- **Explanation on observations made by secretarial auditor in seriatim are as under:**

- MNGL was not having Independent Directors till 27th March, 2015. Two Independent Directors were appointed on 28th March, 2015 as per the requirement of Law. Hence Committee were reconstituted after the appointment of Independent Director to include their participation. No meeting of any committee was held or any resolution has been passed without reconstitution of the committees and participation of Independent Directors after 28th March, 2015.
- Company has adequate provisions regarding protection of its women employees as per its service rules. The Policy on sexual harassment of Women has approved by Board in 56th Board Meeting held on 18th August, 2015 and internal compliant committee has been constituted as per provision of law.
- Company is maintaining firefighting equipment as per provision of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and Gas cylinder rules for CNG stations. Local Fire NOC has been taken from PCMC and PMC empanelled vendor as a part of compliance under Maharashtra Fire Prevention and Life Safety Measures Act, 2006. PMC and PCMC are having own empanelment of firefighting vendors and hence our vendor is not necessarily empaneled in the Directory of Maharashtra Fire service, Mumbai. Also, as per the discussion with auditor, MNGL has submitted the NOC taken from PMC empanelled vendor to PMC Fire brigade and complied with the provision of Section 3(3) of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and rules made there under.

21. EXTRACTS OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure D**".



22. RELATED PARTY TRANSACTIONS:

There are no material related party transactions made by the company which may have potential conflict with interest of the company at large hence AOC-2 is not enclosed with the Report.

23. NOMINATION AND REMUNERATION COMMITTEE AND COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:{Section 178 (3) and 178 (4)}

The Company has duly established a Nomination and Remuneration Committee. The Committee has presented to the Board the policy with respect to remuneration for the directors, key managerial personnel and other employees.

As per the provisions of Companies Act 2013, the policy includes criteria for determining qualification, positive attributes, independence of a director, remuneration to Directors, Key Managerial Personnel, other employees. Policy also includes recognition of one level below Key Managerial personnel as decided by the Board.

The contents of Nomination & Remuneration Policy of MNGL are displayed on MNGL's website at: <http://www.mngl.in/Nomination%20and%20Remuneration.html>

24. MANAGERIAL REMUNERATION:

The Executive and Whole-time Directors of the company are paid remuneration as per their respective contracts which are approved by the Board after taking into consideration the recommendations made by Nomination & Remuneration Committee.

The Nomination & Remuneration Committee also recommends the sitting fees which is required to be paid to Non-Executive Directors of the company. The Independent Directors and Non- Executive Directors are paid sitting fees of Rs. 20,000/- per Board Meeting and Rs. 10,000/- per committee meeting for attending the meetings.

25. RISK MANAGEMENT POLICY

During the financial year 2014-15, the Company has developed a Risk Management System including the Risk Policy & identification of the Risks which are reviewed periodically.

Your Company has laid down set of standards, processes and structure which enables to implement internal financial control across the organization and ensure.

Your company has put in place critical risk management framework across the company. Your company review its policy in a continuously changing business environment. The various risks to the company are in the sphere of regulation, business risk, expansion etc.

In the management of Risk, the probability of risk assumption is estimated on the basis of available data and information and accordingly appropriate risk treatments have been worked out. Your company making efforts to ensure strict adherence to policies, procedures, rules and regulations.

The management of your company has understood and analyzed all the risks existing or proposed to exist in future and tries to mitigate the same in adherence to all the rules.

The contents of Risk Management Policy of MNGL are displayed on MNGL's website at: http://www.mngl.in/risk_management_policy.html

26. WHISTLE BLOWER POLICY:

The whistle blower policy of your Company has robust framework which encourages people to report breach of contract, negligence and manipulation of Company records, financial irregularity etc.

Your Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment.

The company accepts the obligation to ensure that any individual covered under this policy, who make a disclosure without malice and in good faith is protected from unfair treatment.

During the current year, your company has not received any complaints against any employee or member of the organization.

The contents of Whistle Blower Policy of MNGL are displayed on MNGL's website at:

http://www.mngl.in/whistle_blower_policy.html

27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries, Joint venture and Associate companies as on 31st March, 2015.

28. DISCLOSURES:**A. Board of Directors**

As per Articles of Association of the Company, one third strength of the Board is required to retire by rotation at the ensuing Annual General Meeting. Shri I.S.Rao and Shri Gajendra Singh are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

During the year, following directors were appointed on the Board of MNGL:

- 19.08.2015 Shri J.Vedagiri was appointed as Director Commercial (Whole-time Director) on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 19th August, 2015.
- 17.03.2015 Shri A.M.Tambekar was appointed as an Additional Director and Managing Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 17th March, 2015. Further, notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director.
- 28.03.2015 Shri Rajesh Babulal Pande (Independent Director) was appointed as an Additional Director and Independent Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 28th March, 2015. Further, notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director
- 28.03.2015 Ms Padmini Khare Kaicker (Woman Independent Director) was appointed as an Additional Director and Independent Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 28th March, 2015. Further, notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director



- 22.04.2015 Shri Deepak Kumar Jamsaheb Mukadam (Independent Director) was appointed as an Additional Director and Independent Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 22nd April, 2015. Further, notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director.
- 06.05.2015 Shri Narendra Kumar (Nominee IGL) was appointed as an Additional Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 06th May, 2015. Further, notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director.
- 17.06.2015 Shri Ashim Batra (Nominee IGL) was appointed as an Nominee Director on the Board of MNGL pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 17th June, 2015 in the Extra-ordinary General Meeting held on receiving the notice pursuant to Section 160 of the Companies Act, 2013 for proposing his candidature for the office of Director.

During the year, followings were ceased to be the directors from the Board of MNGL:

- 27.05.2015 Shri Shyamsundar S.G. (Nominee of IDFC) ceased to be Director from the Board with effect from 27th May, 2015 on account of his resignation from IDFC.
- 31.07.2015 Shri C.K. Jain ceased to be Director from the Board with effect from 31st July, 2015 on account of his retirement from Bharat Petroleum Corporation Limited.
- 01.02.2015 Shri B.N. Gosain (Managing Director) ceased to be Director from the Board with effect from 01st February, 2015 on account of his retirement from GAIL (India) Limited.
- 27.03.2015 Shri Krishna Kumar (Nominee of IL&FS) and Shri Vinod Giri (Nominee of IDFC) ceased to be Director from the Board with effect from 27th March, 2015 on account of their resignation.

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors during their association with your Company.

None of the Directors are disqualified from being appointed as Directors in term of provisions of Companies Act, 2013.

B. Compositions:

The Company has nine Directors on its Board comprising two Executive Directors namely Managing Director and Director (Commercial), five Non-Executive Directors and two Non Executive Independent Directors. The composition and category of Directors along with other Directorships as on March 31, 2015:

Sr. No.	Name of Directors	Executive/Non-Executive/ Independent	Directorship in other public company
1.	Shri I S Rao (DIN: 02350683)	Chairman	1. Sabarmati Gas Limited 2. GSPL India Transco Ltd. 3. GSPL India Gasnet Limited 4. Central U P Gas Limited 5. Indraprastha Gas Limited

2.	Shri B.N.Gosain (DIN: 06564331)	Managing Director till 01.02.2015	Nil
3.	Shri A.M.Tambekar (DIN: 06877323)	Managing Director w.e.f 17.03.2015	Nil
4	Shri C.K.Jain (DIN: 03572612)	Director Commercial till 31.07.2014	Nil
5.	Shri J.Vedagiri (DIN: 06943165)	Director Commercial w.e.f. 19.08.2015	Nil
6.	Shri Gajendra Singh (DIN: 03290248)	Non- Executive Director	1. GAIL Global (Singapore) Pte. Ltd.
7	Shri Shyam Sundar S.G. (DIN: 02202523)	Director till 27.05.2014	1. Seaways Shipping and Logistics Limited 2. AshokaBuildcon Limited 3. Goodearth Maritime Limited 4. GVR Infra Projects Limited
8.	Shri Krishna Kumar (DIN: 00090715)	Director till 27.03.2015	1. Den Network Ltd. 2. Dighi Port Ltd. 3. Konaseema Gas power Ltd. 4. Petronet India Limited 5. Syniverse Technologies (India) Pvt. Ltd. 6. Worlds Window Infrastructure and logistics Pvt. Ltd.
9.	Shri Vinod Giri (DIN: 02632824)	Director till 27.03.2015	1. Seaways Shipping and Logistics Limited
10.	Shri Rajesh Babulal Pande (DIN: 02219538)	Independent Director w.e.f 28.03.2015	1. Telematiccomsec Pvt. Ltd. Pune
11.	Ms. Padmini Khare Kaicker (DIN: 00296388)	Independent Director w.e.f 28.03.2015	1. B.K.Khare & Co. (managing Partner) 2. M&M ESOP Trust (Trustee) 3. Kashinath Charitable Trust (Trustee) 4. AdyatmikPratishthan (Trustee) 5. Divgi Warner Private Limited 6. Tata Cleantech Capital Limited 7. Tata Automotive Ltd.



C. Board Meetings:

Pursuant to the provisions of Section 173 of the Companies Act, 2013 and rules made thereunder, every Company shall hold a minimum of four meeting of its Board of Directors every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

During the year Directors' attendance in the Board Meetings are given below:

Sr. No.	Name of Directors	Executive/Non-Executive /Independent	No. of meeting held	No of meeting attended
1.	Shri I. S. Rao (DIN: 02350683)	Chairman	7	7
2.	Shri B.N. Gosain (DIN: 06564331)	Managing Director till 01.02.2015	5	5
3.	Shri A.M.Tambekar (DIN: 06877323)	Managing Director w.e.f 17.03.2015	2	2
4.	Shri C.K.Jain(DIN: 03572612)	Director Commercial till 31.07.2014	2	2
5.	Shri J.Vedagiri (DIN: 06943165)	Director Commercial w.e.f. 19.08.2015	5	5
6.	Shri Gajendra Singh (DIN: 03290248)	Non- Executive Director	7	5
7.	Shri Shyam Sundar S.G. (DIN: 02202523)	Director till 27.05.2014	1	1
8.	Shri Krishna Kumar (DIN: 00090715)	Director till 27.03.2015	7	5
9.	Shri Vinod Giri (DIN: 02632824)	Director till 27.03.2015	6	4
10.	Shri Rajesh Babulal Pande (DIN: 02219538)	Independent Director w.e.f 28.03.2015	-	-
11.	Ms. Padmini Khare Kaicker (DIN: 00296388)	Independent Director w.e.f 28.03.2015	-	-

- Shri Narendra Kumar (DIN: 06571708) was appointed as an additional Director w.e.f. 06.05.2015.
- Shri Deepak Kumar Jamsaheb Mukadam (DIN: 00716932) was appointed as additional Director w.e.f. 22.04.2015.
- Shri Ashim Batra (DIN: 07173368) was appointed as a nominee director w.e.f. 17.06.2015.

During the Financial Year 2014-15, total 7 Board meetings were held. Details of aforesaid meeting are provided in following table.

Sr. No.	Date of Meeting	Place of Meeting
1	14-05-2014	Registered Office, Pune
2	24-06-2014	GAILALYA, Bandra-Kurla, Mumbai
3	19-08-2014	IDFC, Bandra-Kurla Complex, Mumbai
4	19-09-2014	Registered Office, Pune
5	12-12-2014	Registered Office, Pune
6	17-03-2015	GAILALYA, Bandra-Kurla, Mumbai
7	27-03-2015	IL&FS, Bandra- Kurla Complex, Mumbai

D. General Meeting

Details of Last three Annual General Meetings held are as follows:-

Sr. No.	No. of Meeting	Date of Meeting	Place of Meeting
1	6th AGM	25-09-2012	Registered Office, Shivaji Nagar, Pune
2	7th AGM	20-09-2013	Registered Office, Shivaji Nagar, Pune
3	8th AGM	19-09-2014	Registered Office, Shivaji Nagar, Pune

Attendance of Directors in the last Annual General Meeting held on 19th September, 2014 is as under:

Sr.No.	Name of Directors	Executive/Non-Executive / Independent	Attendance at the Meeting
1.	Shri I S Rao	Chairman & Non-Executive Director	Yes
2.	Shri Gajendra Singh	Non-Executive Director	No
2	Shri B.N.Gosain	Executive Director	Yes
3	Shri J.Vedagiri	Executive Director	No
4	Shri Vinod Giri	Non-Executive Director	Yes
5	Shri Krishna Kumar	Non-Executive Director	No

No Extraordinary General Meeting (EGM) was held during Financial Year 2014-15. However, One Extra-Ordinary General Meeting was held on 17th June, 2015 at GAILALYA, Bandra-Kurla, Mumbai to conduct the following business:

1. Amendment in the Articles of Association regarding constitution of the Board (Article 117)
2. Appointment of Shri Ashim Batra as a Nominee Director on the Board of MNGL.

E. Key Managerial Personnel

Pursuant to Section 203, 196 & 197 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 following persons act as Key Managerial Personnel (KMP) of the Company :-

Shri B.N.Gosain was initially appointed as Managing Director (MD) of the Company with effect from 17th April, 2013. As per new Companies Act, 2013, he has been appointed as Managing Director as part of KMP with effect from 19th August, 2014. Further, he ceased to be Managing Director (MD) of the Company with effect from 01st February, 2015. Thereafter, Shri A.M.Tambekar, Managing Director (MD) has been appointed as KMP of the Company with effect from 17th March, 2015.

Shri J.Vedagiri was appointed as Director (Commercial) (WTD) and Chief Financial Officer (CFO) of the Company with effect from 19th August, 2014.

Ms. Ritu Aggarwal was initially appointed as Company Secretary (CS) with effect from 26th July, 2011. Further with the introduction of Companies Act, 2013, she has been appointed as Company Secretary as part of KMP with effect from 19th August, 2014.

F. Declaration Of Independence

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

In compliance of above provisions, the Board received the declaration from the Independent Directors i.e. Ms. Padmini Khare Kaicker, Shri Rajesh Babulal Pande and Shri Deepak Kumar Jamsaheb Mukadam confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

G. Constitutions of Audit Committee, Nomination and Remuneration, Corporate Social Responsibility Committee.

Your company has constituted the following committees as per the provision of Companies Act 2013

I. Audit Committee

The Terms & Reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, which interlia includes overseeing the Company's financial reporting process and the disclosure of its financial information; reviewing with the management, the quarterly and annual financial statement before submission to the Board for approval; reviewing with the management the performance of Statutory and Internal Auditors, adequacy of internal control system.

As on 27.03.2015, the constitution of Audit Committee was:

Mr. Krishna Kumar (Chairman)

Mr. I S Rao (Member)

Mr. A.M.Tambekar (Member)

Mr. Vinod Giri (Member)

However, with the induction of Independent Directors, the Audit Committee meeting was reconstituted as per the provisions of Companies Act, 2013 and related rules as follows:

Sr. No.	Members of Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Ms. Padmini Khare Kaicker	Independent & Non-Executive Director	Chairman
2	Shri Rajesh Babulal Pande	Independent & Non-Executive Director	Member
3	Shri Gajendra Singh	Non-Executive Director	Member

During the year 2014-15, six meetings of the Audit Committee were held.

II. Nomination and Remuneration Committee

As on 31.03.2015, the constitution of Nomination and Remuneration committee was:

Shri Gajendra Singh (Chairman)

Shri Vinod Giri (Member)

Shri Krishna Kumar (Member)

However, with the induction of Independent Directors, the Audit Committee meeting was reconstituted through circular resolution w.e.f 13th April, 2015 as per the provisions of Companies Act, 2013 and related rules.

The Committee is headed by Shri Gajendra Singh Non-Executive Director. Composition of the Committee is as per given below:

Sr. No.	Members of Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri Gajendra Singh	Non-Executive Director	Chairman
2	Shri Rajesh Babulal Pande	Independent & Non-Executive Director	Member
3	Ms. Padmini Khare Kaicker	Independent & Non-Executive Director	Member

During the year 2014-15, five meetings of the Nomination and Remuneration Committee was held.

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee of the Board was constituted in the 47th Board meeting held on 14th May, 2014 to approve the scope and policy of CSR activities as per Companies Act, 2013 and related rules.

As on 31.03.2015, the constitution of Corporate Social Responsibility committee was:

Shri Gajendra Singh (Chairman)

Shri Vinod Giri (Member)

Shri A.M.Tambekar (Member)

Shri J.Vedagiri (Member)

and further re-constituted with the induction of Independent Director in 54th Board Meeting held on 06.05.2015.

The CSR Committee is headed by Shri Gajendra Singh, Non-Executive Director. The Composition of the Committee is as per given below:

Sr. No.	Members of Committee	Executive/Non-Executive/Independent	Position in the Committee
1	Shri Gajendra Singh	Non-Executive Director	Chairman
2	Shri I S Rao	Non-Executive Director	Member
3	Shri Deepak Kumar Jamsaheb Mukadam	Non-Executive and Independent Director	Member

During the year 2014-15, one meeting of the Corporate Social Responsibility Committee was held.

H. Formal Annual Evaluation:

The Board of Directors carried out the evaluation of every Director, committees of Board and the Board as a whole based on the laid down criteria of performance evaluation.

29. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and analysis forms part of this report at Annexure 'F'.



30. GENERAL:

I. SIGNIFICANT AND MATERIAL ORDERS

Except the order passed by arbitrator in respect of M/s Taurant vs MNGL, there are no significant and material orders passed by the Regulators or Courts or Tribunal impacting the going concern status and Company's operations in future.

II. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(I) and other applicable provisions of Companies Act, 2013, save as aforesaid in this report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e. 31st March, 2015 and the date of this report.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE

The following is a summary of Sexual harassment complaints received and disposed-off during the calendar year.

Number of complaints received : Nil

Number of complaints disposed-off : Nil

32. SHAREHODING PATTERN AS ON 31ST MARCH, 2015

Shareholding Pattern of the Company as on 31st March, 2015 is as follows:

Sr. No.	Name of Shareholders	No of Equity Shares held @ ₹ 10/- each	% of Shares held
1	GAIL (India) Limited	22,487,500	23.67%
2	Bharat Petroleum Corporation Limited	22,499,600	23.68%
3.	IDFC Trustee Co. Ltd A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II.	10,00,000	1.05%
4.	IL& FS Trust Company Limited	5,55,556	0.58%
5.	Pan Asia Infrastructure Asset Management Co. Pte Ltd	4,44,444	0.47%
6.	Axis Bank Limited	5,00,000	0.53%
7.	Indraprastha Gas Limited	4,75,00,000	50.00%
8.	Other (individual jointly with GAIL India Limited)	12,500	0.01 %
4	Others (Individuals)	400	-
	Total	9,50,00,000	100%

- On 17.06.2015, 50,00,000 Shares were issued to Maharashtra Industrial Corporation Limited which leads to increase in Paid-up Capital from Rs. 95,00,00,000 (Rs. 95 Crores) to Rs. 100,00,00,000 (Rs. 100 Crores)
- On 10.07.2015, 25,00,000 (25 lakhs) Shares i.e. entire shareholding of IDFC, IL&FS, PAN Asia & Axis Bank was further transferred to Indraprastha Gas Limited (IGL) which made IGL as a 50% Partner in MNGL by holding 5,00,00,000 (5 Crores) shares.

23. ACKNOWLEDGEMENT

- Your Directors take this opportunity to place on record their appreciation and sincere thanks to the Ministry of Petroleum and Natural Gas, Petroleum and Natural Gas Regulatory Board (PNGRB) , Government of India, Government of Maharashtra, Banks, Other Statutory and Local Government Bodies, Statutory Auditors, Consultants and local citizens for the continued co-operation and unstinted support extended to the Company.
- The Directors also record their appreciation to its promoters, GAIL (India) Limited, Bharat Petroleum Corporation Limited and Indraprastha Gas Limited for their support.
- The Directors place on record their deep appreciation towards its valued customers for their co-operation, patronage & support and look forward to the continuance of this relationship in future also.
- The Directors wish to express their gratitude to all the shareholders, contractors and suppliers for their continued trust and support.
- The Directors also sincerely acknowledge the contributions made by all the employees of MNGL for their dedicated services to the Company.

On behalf of the Board of Directors
For Maharashtra Natural Gas Limited
sd/-
I.S.Rao
Chairman

Place: Mumbai
Date:25.09.2015



ANNEXURE- "A"

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies
(Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR 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:-

Maharashtra Natural Gas Limited (MNGL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interest of its stakeholders.

A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates. MNGL follows the Board approved CSR Policy which is in line with requirements of Companies Act, 2013.

The contents of CSR Policy of MNGL are displayed on MNGL's website at: http://www.mngl.in/csr_policy.html

2. The Composition of the CSR Committee:-

Shri Gajendra Singh (Chairman)

Shri I S Rao (Member)

Shri Deepak Kumar Jamsaheb (Member)

**3. Average profit (PBT) of the company for last three financial years under Sec 198 of Companies Act, 2013:-
Rs. 50.20 Crores**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):- Rs.1 Crore

5. Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year- Rs.1 Crore

(b) Amount unspent, if any- NIL

(c) Manner in which the amount 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	Project or Programs 1) Local area or other 2) Specify the the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Lacs)	Amount spent on the projects or programs sub : heads 1) District expenditure on project or programs 2) overheads (in Lacs)	Cumulative expenditure upto to the reporting period (in Lacs)	Amount Spent: District or through implementing agency*
1	Vocational training program me on back hoe Loader, Computer Hardware and Networking and plumbing	Employment enhancing vocational skills (Schedule VII (1) (ii))	Maharashtra i.e. Sindhudurg Baramati, Hingoli and Sangamner	22.50	22.50	22.50	National Yuva Co-operative Society (NYCS)
2	Vocational training program me on Gift Article & Jewellery and Fashion Designing	Employment enhancing vocational skills and Empowering women (Schedule VII (1) (ii))	Maharashtra i.e. Tadiwala Road (Pune), Nagpur	7.50	7.50	7.50	National Yuva Co-operative Society
3	Prime Minister's National Relief Fund	Contribution to Prime Minister's National Relief Fund (Schedule VII (1) (viii))	Other (Central)	35.00	35.00	35.00	Cheque given to Collector Office, Pune

4	Swach Bharat Kosh	Swacha Bharat Kosh set up by the Central Government (Schedule VII (1) (viii))	Other (Central)	35.00	35.00	35.00	Direct Transfer to central Government
Total Project Amount :				100.00	Amount Spent (31.03.2015)	100.00	

1. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has spent the entire amount as stipulated as per the Section 135 of Companies Act 2013 and rules made there under.

2. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company



ANNEXURE- "B"

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

A. CONSERVATION OF ENERGY

1. Your company has taken various steps for conservation of energy at various operating Installations. This has resulted in savings and contributions to environmental Improvements. Some of the energy conservation schemes are given as under:
 - a. Energy efficient Canopy lights (LED Type) have been procured and installed; constant efforts are being put to minimize energy consumption.
 - b. Installation of APFC at various CNG Stations is under progress; continuous monitoring of power factor to maintain it at near unity.
2. The steps taken by the company for utilizing alternate sources of energy: NIL
3. The capital investment on energy conservation equipments : 4.8 Lakhs

B. TECHNOLOGY ABSORPTION:

A	Efforts made towards technology Absorption	<ol style="list-style-type: none">1. Automatic Meter Reading system implemented in 95 industries2. Installation of Breakaway coupling in LCV hose3. Installation of Automatic Power Factor controller (APFC) panels4. Compilation of P/L network drawing in soft form5. Use of Quick Connector in mobile cascades
B.	Benefit derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	<ol style="list-style-type: none">1. AMR- Automated Meter Reading & Parameters verification through Remote Monitoring2. Safety in LCV filling as no chances of Gas loss and accident due to accidental pulling and detachment of hose3. Maintained PF around unity in CNG stations resulting in saving of around Rs.16L.4. Easy & ready availability of Gas Network (Steel as well as MDPE) on Computer Systems & Mobiles to be used to find location & details of P/L in normal as well as emergency situation.5. To prevent Gas Loss & Accident in case of damage to valve.



C.	In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year), following information may be furnished: I. Technology imported ii. Year of import iii. Has technology been fully absorbed iv. If not absorbed, areas where this has not taken place, reason therefore & future plan of action	NIL
D.	The expenditure incurred on Research and Development	NIL

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Company is in retail distribution business of Natural Gas in Pune & its surrounding areas. Considering the area of operation and product of the Company, export related activities are not pertinent.

During the year under review the foreign exchange earnings and outgo are given below:

Foreign Exchange earned in terms of actual inflows during the year	-
Foreign Exchange outgo during the year in terms of actual outflows	
Foreign exchange used for Dividend payment for FY 13-14 during FY 14-15	\$161485
For Interim Dividend for FY 14-15 paid during 14-15.	\$ 105703

ANNEXURE- "C"

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

To,

The Members,

Maharashtra Natural Gas Limited

Pune

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maharashtra Natural Gas Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on management declaration letter, my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - N.A. -;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- N.A. -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) and other applicable laws like Maharashtra Fire Prevention and Life Safety Measures Act, 2006, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, The Bombay Gas Supply Act 1939, OISD Standards, The Gas Cylinder Rules, 2004, The Bombay Shops & Establishments Act 1948, Maharashtra Labour Welfare Fund Act 1953, Maharashtra State Tax on Professions, Trade, Calling and Employment Act 1975. In respect of other laws specifically applicable to the Company, I have relied on the information obtained/records produced over e-mail by the Company during the course of my audit and the reporting is limited to that extent.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - Not applicable to the Company during Audit period
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. Company did not have independent directors on its board till 27th March, 2015. Hence the Composition of various committees prescribed by the Companies Act, 2013 like Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Audit Committee was not strictly in compliance with the respective sections, to the extent of participation of Independent Directors**
- 2. The Company has not constituted an internal complaints Committee as contemplated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However the Company has a few provisions in protection of its women employees as per its Service rules.**
- 3. The company has not adequately complied with the reporting provisions of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and rules made there under.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/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, subject to observations mentioned above.

I/we further report that during the audit period the company has been no instances having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards as referred above. However consequent to the transfer of shares on 28th March, 2015 the company has become a government company within the meaning of Section 2(45) of the Companies Act, 2013.

For Rajas Bodas & Associates,

Sd/-

Company Secretary

RAJAS BODAS

FCS No. 6005

C.P. No. 5335

Place: Pune

Date: 31/07/2015

This report is to be read with my letter of even date which is annexed as Annexure A and which forms an integral part of this report.



Annexure A

To,
The Members,
Maharashtra Natural Gas Limited
Pune

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I 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.
5. The compliance of the provisions of Corporate and other applicable 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 Rajas Bodas & Associates,
Sd/-
Company Secretary
RAJAS BODAS
FCS No. 6005
C.P. No. 5335

Place: Pune
Date: 31/07/2015

"ANNEXURE D"

(As on the financial year ended on 31st March, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Facts
(i)	CIN	U11102PN2006PLC021839
(ii)	Registration Date	13th January, 2006
(iii)	Name of the Company	Maharashtra Natural Gas Limited
(iv)	Category/Sub - Category of the Company	Company Limited by Shares
(v)	Address of the Registered office and contact details	Plot no 27, Narveer Tanaji Wadi, PMT Bus Depot, Commercial Building, First floor, Shivaji Nagar, Pune Tel: 020 – 25611000 Fax No: 020 -25511522 email: csritu@mngl.in website: www.mngl.in
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	UTI Infrastructure Technologies and services Limited Plot No. 3, Sector 11, Post Bag No. 22, C.B.D. Belapur, Navi Mumbai 400614 Tel- 022 67931300, email id: sunil.bhoite@utiitsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Natural Gas	35202	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL



IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity

I) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	Nil	12900	12900	0.01	Nil	12900	12900	0.01	Nil
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	44987100	44987100	47.35	Nil	44987100	449871000	47.35	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub - Total (A) (1)	Nil	45000000	45000000	47.36	Nil	45000000	45000000	47.36	Nil
(2) Foreign									
(a) NRIs -Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub- Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A) (1)+(A) (2)	Nil	450000000	450000000	47.36	Nil	450000000	450000000	47.36	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	30000000	11111111	41111111	43.27	20555556	Nil	20555556	2.16	(95)
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIIs	Nil	8888889	8888889	9.36	4444444	Nil	4444444	2.16	(95)
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(I) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub - Total (B)(1)	30000000	20000000	50000000	52.63	2500000	Nil	2500000	Nil	(95)
(2) Non - Institutions									
(a) Bodies Corp									
i. Indian	Nil	Nil	Nil	Nil	47500000	Nil	47500000	50	50
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) individuals									
i. Individual shareholders holding nominal share capital up to 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Individual share holders holding nominal share capital in excess of 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



(C) Others (Specify)									
Sub-Total (B)(2)	Nil	Nil	Nil	Nil	47500000	Nil	4750000	50	50
Total Public Shareholding (B)=(B)(1)+(B) (2)	30000000	20000000	20000000	52.63	50000000	Nil	50000000	52.63	-
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	30000000	65000000	95000000	100	50000000	45000000	95000000	100	Nil

(ii) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during 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	
1	GAIL (India) Limited (GAIL) including shares held jointly with its employees.	22500000	25.00%	0.00%	22500000	25.00%	0.00%	0.00%
2	Bharat Petroleum Corporation Limited	22499600	23.68%	0.00%	22499600	23.68%	0.00%	0.00%
	Total	44999600	47.36%	0.00%	44999600	47.36%	0.00%	

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

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	<i>There are no changes in the Promoter's shareholding during the Financial Year 2014 - 15.</i>				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)
as on 31st March, 2015

Sr. No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri Kamlesh Sharma (Jointly with GAIL)				
	At the beginning of the Year	3125	0.003 %	3125	0.003 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	3125	0.003 %	3125	0.003 %
2.	Shri N K Nagpal (Jointly with GAIL)				
	At the beginning of the Year	3125	0.003 %	3125	0.003 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	3125	0.003 %	3125	0.003 %
3.	Shri S C Hatwal(Jointly with GAIL)				
	At the beginning of the Year	3125	0.003%	3125	0.003%
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	3125	0.003 %	3125	0.003 %
	At the end of the Year	0	0.00 %	0	0.00 %
4.	Shri Manoj Kumar Pawa (Jointly with GAIL)				
	At the beginning of the Year	0	0.000%	0	0.000%
	Bought during the Year	3125	0.003%	3125	0.003%
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	3125	0.003 %	3125	0.003 %
5.	Shri A.K.Bansal				
	At the beginning of the Year	100	0.00%	100	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00%	0	0.00%
	At the end of the Year	100	0.00%	100	0.00%
6.	Shri R.P.Natekar				
	At the beginning of the Year	100	0.00%	100	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00%	0	0.00%
	At the end of the Year	100	0.00%	100	0.00%

7.	Shri Satish Y. Oke				
	At the beginning of the Year	100	0.00%	100	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00%	0	0.00%
	At the end of the Year	100	0.00%	100	0.00%
8.	IDFC Trustee Co. Ltd A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II.				
	At the beginning of the Year	20,000,000	21.05%	20,000,000	21.05%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	19000000	20%	19000000	20%
	At the end of the Year	1000000	1.05%	1000000	1.05%
9.	IL& FS Trust Company Limited				
	At the beginning of the Year	11111111	11.69%	11111111	11.69%
	Bought during the Year	0	0	0	0
	Sold/Transfer during the Year	10555555	11.11%	10555555	11.11%
	At the end of the Year	555556	0.58%	555556	0.58%
10.	Axis Bank Limited				
	At the beginning of the Year	10000000	10.53%	10000000	10.53%
	Bought during the Year	0	-	0	-
	Sold/Transfer during the Year	9500000	10%	9500000	10%
	At the end of the Year	500000	0.53%	500000	0.53%
11.	Shri M. Ravindran (Jointly with GAIL)				
	At the beginning of the Year	3125	0.003 %	3125	0.003 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	3125	0.003 %	3125	0.003 %
12.	Shri S.Krishnamurti				
	At the beginning of the Year	100	0.00%	100	0.00%
	Bought during the Year	0	0.00%	0	0.00%
	Sold/Transfer during the Year	0	0.00%	0	0.00%
	At the end of the Year	100	0.00%	100	0.00%
13.	Indraprastha Gas Limited				
	At the beginning of the Year	0	0	0	0
	Bought during the Year	47500000	50%	47500000	50%
	Sold/Transfer during the Year	0	0	0	0
	At the end of the Year	47500000	50%	47500000	50%

(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2015:

Sr. No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri I S Rao				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
2.	Shri Gajendra Singh				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
3.	Shri B.N.Gosain*				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
4.	Shri A.M.Tambekar*				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
5.	Shri C.K.Jain**				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
6.	Shri J.Vedagiri**				
	At the beginning of the Year	0	0.00 %	0	0.00 %

	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
7.	Shri Syamsundar S.G.^				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
8.	Shri Krishna Kumar^^				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
9.	Shri Vinod Giri^^				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
10.	Ms. Padmini Khare^^^				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
11.	Shri. Rajesh Pande^^^				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %
12.	Ms. Ritu Aggarwal (CS)				
	At the beginning of the Year	0	0.00 %	0	0.00 %
	Bought during the Year	0	0.00 %	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %	0	0.00 %
	At the end of the Year	0	0.00 %	0	0.00 %

Note: * Shri B.N.Gosain Ceased to be Managing Director w.e.f. 01.02.2015 and Shri A.M.Tambekar joined as Managing Director w.e.f. 17.03.2015

** Shri C.K.Jain Ceased to be Director Commercial w.e.f. 31.07.2014 and Shri J.Vedagiri joined as Director Commercial and CFO w.e.f. 19.08.2014

^ Shri Shyamsundar S.G. resigned w.e.f 27.05.2014 and Shri Vinod Giri joined in his place w.e.f. 24.06.2014

^^ Shri Krishna Kumar and Shri Vinod Giri resigned w.e.f. 27.03.2015

^^^ Ms. Padmini Khare and Shri Rajesh Pande joined w.e.f. 28.03.2015

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: Rs. 1,70,56,15,809

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL DURING THE FINANCIAL YEAR 2014-2015

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration*	(Rs. in Lacs)				Total Amount	
	Name	Shri B.N. Gosain	Shri A.M. Tambekar	Shri C.K. Jain	Shri J. Vedagiri	Rs. in Lacs	
	Designation	Managing Director		Director Commercial			
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46.67	6.02	18.54	25.76	65.21	31.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.91	0.32	1.18	2.08	3.09	2.40
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-		-	
2	Stock Option	-		-		-	
3	Sweat Equity	-		-		-	
4	Commission						
	as % of profit	-	-	-	-	-	
	others, specify	-		-		-	



5	Others, please specify	-		-		-	
	Total (A)	48.58	6.34	19.72	27.84	68.30	34.18
	Ceiling as per the Act	Remuneration is within ceiling prescribed under Companies Act, 2013.					

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors	Total Amount (Rs/Lac)
Independent Directors	No amount was paid to any other Director During FY 2014-15	
Fee for attending board / committee meetings		
Commission		
Others, please specify		
Total (1)		
Other Non-Executive Directors		
Fee for attending board committee meetings		
Commission		
Others, please specify		
Total (2)		
Total (B)=(1+2)		
Ceiling as per the Act**		

* Paid to respective parent organizations.

** Remuneration is within ceiling prescribed under Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr.	Particulars of Remuneration			Total Amount
No.	Name	Shri J.Vedagiri*	Ms. Ritu Aggarwal	(Rs/Lacs)
	Designation	WTD &CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Remuneration of Shri J. Vedagiri has been covered under Remuneration to Directors	6.50	6.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	6.50	6.50

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the financial year 2014-15



ANNEXURE 'E'

MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL GAS SCENARIO IN INDIA

Natural gas is the cleaner burning fossil fuel and its environment friendly characteristics make it more popular than other hydrocarbon fuel. It is playing an increasing role in helping to attain national goals of a cleaner environment, energy security and a more competitive economy. The primary energy mix of India is also set to alter on account of the substitution of oil by natural gas which is emerging as an important component in the total energy basket.

The share of natural gas is expected to increase significantly in the coming years. Power and Fertilizer sectors remain the two biggest contributors to natural gas demand in India and the pricing issues are a concern to channelize this demand into actual consumption. The present supply of natural gas in India is mainly from the nominated blocks, operated by ONGC and OIL, private and joint venture fields like Panna-Mukta & Tapti (PMT) and from the fields awarded under NELP like RIL's KG D-6. Government is stepping up all efforts to increase indigenous production of Natural Gas.

With the growing demand for natural gas in India, the gap between domestic demand and availability is met through LNG imports. Several plans to augment and add regasification capacities on the western and eastern coast of India are under process to facilitate LNG imports into India.

CITY GAS DISTRIBUTION IN INDIA

CNG has become a popular fuel for transport sector. Your Company had invited proposals for taking land on long term lease from private individuals and companies. PESO (Petroleum and Explosive Safety Organization) consent has been received for most of the presently proposed CNG Stations and other statutory approval work is in process.

Additional MNG L CNG Stations will increase the availability of CNG supply to CNG customers across Pune. All actions has been taken to improve customer service.

Your Company has set up a robust infrastructure of CNG stations and Pipeline network to ensure easy availability of CNG and PNG to its customers.

Both CNG and PNG business have performed well during the year 2014-15. On overall basis the sales volume (CNG & PNG) has shown a growth of 31.17 % over the previous year.

During the year, CNG sales volume has increased from 79.08 MMSCM in FY 2013-14 to 105.35 MMSCM in FY 2014-15 and PNG sales volume have increased from 33.27 MMSCM in FY 2013-14 to 41.97 MMSCM in FY 2014-15 showing a growth of 33.22% and 26.15% respectively.

Company has setup a network of 30 CNG Stations in Pune and PCMC areas as on 31st March 2015 for supplying CNG to the customers. The Total nos. of vehicles using CNG was 79408 in March 2015. The Company has a wide network of pipeline to provide PNG connection to 16147 Domestic Customers, 47 Commercial customers and 97 Industrial Customers as on 31st March, 2015.

OUTLOOK ON OPPORTUNITIES

Introduction of factory fitted CNG engines by leading car manufacturers & considerable increase in number of CNG stations has given a big boost to the CNG sector in the cities.

The convenience associated with PNG has already established it as the preferred fuel with its demand growing exponentially in domestic, commercial as well as industrial segments. Due to strict enforcement by various statutory authorities of the norms deterring use of polluting fuels by industries due to environmental concerns, the usage of Natural Gas while utilizing the existing City Gas Distribution network is bound to grow.

The Company has strongly established itself in Pune and its surrounding area which have good potential for Natural gas in the coming years. Your Company has increased the infrastructure of CNG stations and Pipeline network to ensure easy availability of CNG and PNG to its customers.

Your company is associating with Government agencies like ARAI for studies related to conversion and performance of CNG vehicles vis-à-vis Diesel vehicles. The results from such studies will be utilized to propose induction of more CNG vehicles. This will help Central Government's efforts for developing 'green corridors' between cities with established CNG infrastructure. Maharashtra State Road Transport Corporation (MSRTC) operated bus transport services between Mumbai and Pune will be potential clients for contributing to this planned green corridor."

Your Company is definitely looking forward to expand its Geographical Area to other feasible Cities through the bidding process being conducted by PNGRB

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATIONS

Regulatory Regime

The City Gas Distribution business is under Regulatory regime wherein the Regulatory Board (PNGRB) has framed various Regulations, which have impact on the day to day business operations of a CGD entity.

The Petroleum and Natural Gas Regulatory Board (PNGRB) has been inviting bids from time to time for setting up CGD network in new geographical areas. Your Company intends to participate in the bidding for expanding its area of operations.

Gas Sourcing

In the changing gas scenario, the assured supply of gas at competitive price will play an important role for future growth of your Company. MoP&NG, Government of India under its recent guidelines has directed GAIL to allocate supply of gas at APM Price to your Company based on actual requirement along with a provision to draw 10% over and above the requested allocation.

In order to cater growing gas demand of industrial & commercial consumers, the Company is procuring R-LNG, both on term & spot basis. Your company is constantly on the lookout for sourcing cheapest R-LNG supplies for its customers by signing agreements with more suppliers. This helps in enrolling new customers and retaining old ones as the price of our gas remains competitive in comparison to price of alternate fuels. In line with this, besides having gas supply tie ups with GAIL and BPCL, to strengthen MNGL's gas sourcing portfolio, MNGL has also signed a framework gas supply agreement with other major R-LNG suppliers viz. Gujrat State Petroleum Corporation Limited (GSPCL), Indian Oil Corporation Ltd., etc. The Company is actively looking at a variety of options to meet the expected gas demand in future.

'Market Exclusivity' granted to your company for a period of 5 years came to an end in March, 2014. To mitigate the risk of existing customers (Industrial & commercial) drifting away to any competitor in future, your company has signed long term agreements (5 years) with all its major customers to retain them.

Gas Prices

Till August'2014, Limited availability of domestic Gas and mix of RLNG was resulting in high CNG cost to retail customers. However, under the recently implemented guidelines of MoP&NG, Government of India, additional domestic gas has been allocated to your Company from October'2014 onwards. This positive development shall help in maintaining gas selling prices both in CNG and PNG-domestic segment competitive over alternate fuels.



The Company is fully aware of the challenge to keep the overall procurement cost of gas under check in order to supply CNG and PNG at competitive price as compared to alternate competing fuels.

VALUE CREATION THROUGH OPERATIONAL EXCELLENCE

In the competitive environment, creating value for the end customer is of utmost importance for any Company. Your Company is fully conscious and is continuously working for enhancing operational efficiency through cost optimization and process improvement.

INTERNAL CONTROL & THEIR ADEQUACY

The Company has adequate Internal Control Procedures commensurate with its size and nature of its business. The Company has appointed M/s Gogate & Co., Chartered Accountants as its Internal Auditors and the internal auditor's reports prepared by them are placed before the Audit Committee.

ENVIRONMENT CONSCIOUSNESS

Natural gas intrinsically being the cleaner of the fossil fuels, it is endeavour of the Company to promote its wider use among all categories of prospective customers. Towards this direction, the Company is promoting use of natural gas by domestic consumers as well as by commercial & industrial consumers through sustained campaigns whereby all the users are made aware of the economical and environmental advantages of natural gas compared to other fuels, along with assurance of timely and uninterrupted supply of natural gas.

The Company is making continuous efforts to reduce pollution in Pune and its adjoining areas.

INDEPENDENT AUDITORS' REPORT

To

The Members of Maharashtra Natural Gas Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAHARASHTRA NATURAL GAS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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

31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2015 issued by the Government of India (Ministry of Corporate Affairs) in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Company has no branch offices whose accounts are audited by branch auditors.
 - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) There are no observations and comments on financial transactions or other matters which have an adverse effect on the functioning of the Company.
 - (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (h) There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith.
 - (i) 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. Refer Note No.28 on Contingent Liabilities disclosing the impact of pending litigation on the financial position of the company in its financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts, having any material foreseeable losses, for which provision was required.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s. P. G. Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W

Sd/-

Sandeep Rao

Partner

Membership No. 47235

Place : Pune

Date : 10.09.2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re: MAHARASHTRA NATURAL GAS LIMITED

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As informed to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) (a) In our opinion and according to the information and explanations given to us, the inventory of the company comprises of Gas and same is ascertained on volumetric basis at the year end.
(b) In our opinion the procedures of physical verification of inventory by way of volumetric method followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on volumetric verification between the physical stock and the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to information and explanation given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. However, we are of the opinion that maintenance of records in respect of Capital Work in Progress needs to be more elaborate. During the course of our audit we have not observed any major weaknesses or continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to it. According to information and explanation given to us, no order has been passed against the company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (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 and are of the opinion that prima facie the prescribed accounts and records have generally been maintained. We have, however, not made a detailed examination of the records with view to determine whether they are accurate or complete.
- (vii) a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2015 for a period of more than six months from the day they become payable.



- b) The disputed statutory dues that have not been deposited on account of disputes pending before the appropriate authorities are as under:

Sr. No.	Particulars	Amount	Forum
1	Sales Tax FY 2009-10	35.22 Lacs	Jt. Commissioner of Sales Tax (Appeal), Pune

- c) According to the information and explanation given to us, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

- (viii) The Company has no accumulated losses as at March 31, 2015. It has not incurred cash loss during the year and in the immediately preceding financial year.
- (ix) According to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any debenture holders.
- (x) According to the information and explanation given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company has applied the term loans for the purpose for which the same was raised.
- (xii) Based upon the audit procedures performed by us and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s. P. G. Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W

Sd/-

Sandeep Rao

Partner

Membership No. 47235

Place : Pune

Date : 10.09.2015

ADDENDUM TO THE AUDITORS' REPORT

TO THE MEMBERS OF MAHARASHTRA NATURAL GAS LIMITED

Report on the Directions issued by the Comptroller and Auditor General of India

As required by the directions issued by the Comptroller and Auditor General of India with reference to accounts of the company for the year 2014-15, we report that:

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process."

According to the information and explanation given to us the company is not selected for the disinvestment.

2. Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons therefor and the amount involved.

On the basis of our examination of the records and according to explanation given to us, we are of the opinion that there is no waiver / write off of debts/ loans/interest etc.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities

On the basis of our examination of the records of inventory and according to explanation given to us, we are of the opinion that the company is maintaining proper records of Gas stock lying with the third parties and the company during the year has not received any asset as gift from Govt. or other authorities.

4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

According to the information and explanation given to us the details are furnished in **Annexure - I**

For M/s P G Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W

sd/-

Sandeep Rao

Partner

Membership No. 47235

Place : Pune

Date : September 24, 2015

ANNEXURE - I

PENDING LEGAL / ARBITRATION CASES

Sr. No.	Party Name	Amount (Rs.)	Details	Start Year	Reasons for Pendency	Monitoring Mechanism for Expenditure
1	Tekwade Service Station	1,826,974.000	Arbitration for LCV Hire Charges Contract	Sept - 13	Tekwade was awarded contract for providing Light Commercial Vehicles(LCV) on hire basis to transport Gas through Cascades from one location to another. Party filed suit in Court for payment of pending amount against the bill	Till date only relevant expenditure like Arbitrator Fees, Legal Advocate Fees and other related expenses, if any have been incurred and all the expenses have been incurred only after obtaining prior approval of Competent Authority
					MNGL filed counter claim on the party for non performance of contract	
					Matter is pending mainly because of delay in filing replies and frequent adjournments taken by M/s Tekwade	
					Currently matter is under Verification by court in respect of counter claim filed by MNGL	
2	Taurant Projects Limited	310,600,000.00	Arbitration for Steel Pipeline and HDD Laying Contract.	Feb - 12	This Party was awarded contract for laying of Steel Pipeline which it could not complete within scheduled time. Hence MNGL issued notice to party to complete the work. Against MNGL notice, Party filed claim in the court demanding pending amounts against bill.	Till date only relevant expenditure like Arbitrator Fees, Legal Advocate Fees and other related expenses, if any have been incurred and all the expenses have been incurred only after obtaining prior approval of Competent Authority
					Aterwards matter went to Arbitration. On 04.06.15, Arbitrator gave award for settlement against claims made by MNGL and Party.	
					However, Party didn't accept Arbitration award and went for appeal against the same.	

Sr. No.	Party Name	Amount (Rs.)	Details	Start Year	Reasons for Pendency	Monitoring Mechanism for Expenditure
3	GAIL (India) Limited	73,000,000.00	NAPM Debit Note pertaining to period 01.02.12 To 30.11.13 not accepted by MNGL	Apr - 14	MNGL received 2 Debit Notes vide e mail from GAIL for recovery of differential price including royalty, transportation, marketing margin, VAT, etc on proportionate NAPM gas supplied during the period 01.02.2012 to 01.10.2013	No Expenditure incurred till date
					MNGL did not accept the claim against these debit notes stating that NAPM gas has not been supplied to MNGL during the period mentioned in debit notes	
4	Department of Sales Tax, Maharashtra	3,547,000.00	Appeal Against Assessment order of Sales Tax for the F.Y. 2009-10	Jul - 14	Department Disallowed VAT Set off of parties stating party has not deposited the same to Government Treasury. However, MNGL was right in taking the credit of VAT Set off as proper Tax Invoice was issued for the same.	MNGL has incurred relevant expenditure like Interim Stay Fee, Appeal Fee and Consultant Fee for the same only after prior approval of competent authority
					Hence MNGL went for Appeal against Assessment Order in the month of June 14 and Intimation for hearing on the same is not yet received	Interim Stay 25000/- accounted as Duty paid under protest and Rs 1025/- for Appeal + Amit Shewade Rs. 56180/-



कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई
भारतीय लेखा एवं लेखा परीक्षा विभाग
कै. 25, 'ऑडिट हाउस', 8^थ मंज, बंदोबस्त ऑडिट कॉम्प्लेक्स, मुंबई - 400 021
फोन : 022-26573814 तेलिफोन : 022-26573813 / 26573842
फैक्स : 022-26573814 टेलिफोन : 022-26573813 / 26573842
ई मेल : principaldirector@mngl.gov.in
संख्या: एमएचबी II/MNGL/लेखाII/14-15/1-1390/307

Office of the Principal Director of Commercial Audit
& ex-officio Member, Audit Board-II, Mumbai
Indian Audit & Accounts Department
C-25, 'Audit House', 8th Floor, Bandobast Audit Complex, Mumbai - 400 021.
Fax: 022-26573814 Telephone: 022-26573813 / 26573842
E-mail: principaldirector@mngl.gov.in 23.09.2015

श्रीमान्,
महाराष्ट्र नैधुरल गैस लिमिटेड,
पुणे.

विषय: कंपनी के अधिनियम 2013 के धारा 143(6)(b) के अर्धीन महाराष्ट्र नैधुरल गैस लिमिटेड
के 31 मार्च 2015 को समाप्त लेखी पर भागत के निबंधक-महाराष्ट्रलेखापरिक्षक की रिप्पणीची
महोदय,

मैं महाराष्ट्र नैधुरल गैस लिमिटेड के 31 मार्च 2015 को समाप्त लेखी पर कंपनी के
अधिनियम 2013 के धारा 143(6)(b) के अर्धीन भागत के निबंधक-महाराष्ट्रलेखापरिक्षक की
रिप्पणीची देखित बन रही हूँ।

वार्षिक आम सभा में लेखी तथा निबंधक-महाराष्ट्रलेखापरिक्षक के रिप्पणीची को अंगीकरण
करने के कार्यवाही के कार्यवृत्त की एक प्रतिलिपि इस कार्यालय को देखित करे। साथ में प्रकाशित
वार्षिक रिपोर्ट की 10 प्रतिलिपियाँ भेजे।

कृपया इस पर की पावती भेजें।

भवदीया,

परमा मेव

प्रधान निदेशक वाणिज्यिक लेखापरिक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई

संलग्न: बंधोबस्त

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA NATURAL GAS LIMITED (MNGL) FOR THE YEAR ENDED 31 MARCH 2015

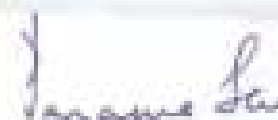
The preparation of financial statements of Maharashtra Natural Gas Limited (MNGL) for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 September 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Place: Mumbai

Date: 23 September 2015



Parama Sen
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai



BALANCE SHEET AS AT 31.03.2015

(Rs. in Lacs)

Sr. No.	PARTICULARS	Note No.	Figures as at the end of current reporting period ending on March 31,2015	Figures as at the end of previous reporting period ending on March 31,2014
I.	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	(a) Share Capital	3	9,500.00	9,500.00
	(b) Reserves and Surplus	4	11,090.55	7,258.65
			20,590.55	16,758.65
	2. NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	5	11,905.40	9,110.41
	(b) Deferred Tax Liabilities (Net)	6	1,468.12	1,104.27
	(c) Other Long-Term Liabilities	7	1,757.31	1,354.47
	(d) Long-Term Provisions	8	60.50	85.16
			15,191.32	11,654.31
	3. CURRENT LIABILITIES			
	(a) Trade Payables	9	1,999.58	1,915.41
	(b) Other Current Liabilities	10	6,527.15	6,736.67
	(c) Short Term Provisions	11	542.78	1,420.74
			9,069.51	10,072.81
	TOTAL		44,851.38	38,485.77
II.	ASSETS			
	1. NON-CURRENT ASSETS			
	A. Fixed Assets			
	(i) Tangible Assets	12	17,478.16	16,879.53
	(ii) Intangible Assets	13	494.34	9.57
	(iii) Capital Work-In-Progress		16,110.59	13,462.29
	B. Other Non-Current Assets	14	396.33	321.98
			34,479.42	30,673.37
	2. CURRENT ASSETS			
	A. Inventories	15	49.17	38.28
	B. Trade Receivables	16	5,125.51	3,910.28
	C. Cash and Bank Balances	17	4,574.54	2,820.95
	D. Short-Term Loans and Advances	18	497.80	816.32
	E. Other Current Assets	19	124.93	226.57
			10,371.95	7,812.40
	TOTAL		44,851.38	38,485.77
	Contingent liabilities and commitments	28	-	-
	Summary of Significant Accounting Policies	2	-	-

As per our report of even date attached

For M/s P G Bhagwat

Firm Registration Number: 101118W

Chartered Accountants

Sd/-

Sandeep Rao

Partner

Membership No : 47235

For and on behalf of the Board

Sd/-
I.S.Rao
(Chairman)

Sd/-
A.M. Tambekar
(Managing Director)

Sd/-
J. Vedagiri
(CFO)

Sd/-
Ritu Aggarwal
(Company Secretary)

Place : Mumbai

Date : 10th September, 2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2015

(Rs. in Lacs)

S.NO	PARTICULARS	Note No.	Figures as at the end of current reporting period ending on March 31,2015	Figures as at the end of previous reporting period ending on March 31,2014
I.	Revenue from Operations (Gross)	20	49,718.36	37,445.54
	Less: Excise Duty		4,137.33	2,821.35
II.	Revenue from Operations (Net)		45,581.03	34,624.19
	Other Income	21	341.27	110.87
III.	TOTAL REVENUE (I + II)		45,922.31	34,735.06
IV.	EXPENSES:			
	Purchase of Natural Gas	22	30,942.89	21,418.26
	Changes in Inventories of Stock-in-trade	23	(10.88)	(25.71)
	Employee Benefits Expense	24	855.48	648.03
	Finance Costs	25	534.88	478.66
	Depreciation and Amortization Expense	26	1,457.96	879.96
	Other Expenses	27	4,352.78	3,086.55
	TOTAL EXPENSES		38,133.11	26,485.75
V.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)		7,789.20	8,249.31
VI.	Prior Period Income		-	-
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		7,789.20	8,249.31
VIII.	Extraordinary Items		-	-
IX.	PROFIT BEFORE TAX (VII - VIII)		7,789.20	8,249.31
X.	TAX EXPENSE			
	1. Current Tax		2,365.00	2,392.84
	2. Deferred Tax		366.49	446.38
XI.	PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX - X)		5,057.71	5,410.09
	PROFIT / (LOSS) FOR THE PERIOD		5,057.71	5,410.09
XII.	Earning Per Equity Share			
	Basic & Diluted EPS			
	(One Equity Share of Rs. 10 each)		5.32	5.69
	Summary of Significant Accounting Policies	2	-	-

As per our report of even date attached
For M/s P G Bhagwat
Firm Registration Number: 101118W
Chartered Accountants
Sd/-
Sandeep Rao
Partner
Membership No : 47235

For and on behalf of the Board

Sd/-
I.S.Rao
(Chairman)

Sd/-
A.M. Tambekar
(Managing Director)

Sd/-
J. Vedagiri
(CFO)

Sd/-
Ritu Aggarwal
(Company Secretary)

Place : Mumbai
Date : 10th September, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2015

(Rs. in Lacs)

PARTICULARS	Figures as at the end of current reporting period ending on March 31,2015		Figures as at the end of previous reporting period ending on March 31,2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		7,789.20		8,249.31
Adjustments for:				
Depreciation		1,457.96		879.96
Excess Provision Written back		(1.11)		-
Loss on Sale of assets		-		0.10
Interest paid		481.75		471.12
Interest received	(69.87)	1,868.73	(49.03)	1,302.15
Operating Profit Before Working Capital Changes		9,657.93		9,551.46
Movements in Working Capital				
Inventories		(10.89)		(25.71)
Trade and Other receivable		(2,018.14)		(3,318.37)
Trade and Other Paybles	607.77	(1,421.26)	6,836.52	3,492.44
Cash Generated from Operations		8,236.67		13,043.90
Direct Taxes paid		(2,378.37)		(2,392.84)
Net Cash Flow from Operating Activities	A	5,858.30		10,651.06
B. CASH FLOW FROM INVESTING ACTIVITIES.				
Purchase of Fixed Assets/ Capital Work in Progress	(5,579.50)		(8,531.13)	
Sale of Fixed Assets	-		5.56	
Interest Received	69.87		49.03	
Net Cash Flow from Investing Activities	B	(5,509.63)		(8,476.54)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	2,795.01		(646.72)	
Interest paid	(450.50)		(471.12)	
Dividend and Tax Thereon	(2,099.79)		(883.29)	
Net Cash Flow from Financing Activities	C	244.72		(2,001.13)
Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C)		593.39		173.39
Cash & Cash Equivalents as at beginning of the Year		2,369.10		2,195.71
Cash & Cash Equivalents as at end of the Year		2,962.49		2,369.10
Components of Cash & Cash Equivalents as at end of the Year				
Cash, Cheques & Stamps on Hand		18.85		32.81
with Banks - in current Accounts		2,943.64		2,336.29

As per our report of even date attached
For M/s P G Bhagwat
 Firm Registration Number: 101118W
 Chartered Accountants
Sd/-
Sandeep Rao
Partner
Membership No : 47235

For and on behalf of the Board

Sd/-
I.S.Rao
 (Chairman)

Sd/-
A.M. Tambekar
 (Managing Director)

Sd/-
J. Vedagiri
 (CFO)

Sd/-
Ritu Aggarwal
 (Company Secretary)

Place : Mumbai
 Date : 10th September, 2015

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Maharashtra Natural Gas Limited ('MNGL') is a Company incorporated in January 2006 to meet the City Gas distribution needs of Pune and adjoining areas. MNGL has got the PNGRB authorization for city gas distribution in Pune & Pimpri-Chinchwad city including adjoining areas of Hinjewadi, Chakan & Talegaon.

MNGL is a joint venture Company of two navratna PSUs viz. Bharat Petroleum Corporation Limited (BPCL) and Gas Authority of India Limited (GAIL), with the mission to supply clean and green (eco-friendly) fuel.

Main business objectives of the company are as under:-

- To provide clean, environment friendly green fuel as an alternative to the conventional auto fuels like Petrol and Diesel and
- To provide safe, convenient and reliable piped natural gas to its customers in the domestic, commercial and industrial sectors.

While transport sector will use Compressed Natural Gas (CNG), the domestic, commercial and industrial sectors will use Piped Natural Gas (PNG)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(B) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(C) Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from operations is net of trade discount, excise duty, sales tax / value added tax and adjustments, if any.
- Revenue on sale of Piped Natural Gas (PNG) is recognized based on completion of delivery. Sales are billed bi-monthly for domestic customers, monthly for commercial customers and fortnightly for industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from retail outlets;
- Committed revenue from customers for gas sales and gas transmission is recognized if it is not unreasonable to expect ultimate collection of revenue from buyers.



NOTES TO FINANCIAL STATEMENTS

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable and in consonance with the mutually agreed terms.

(D) Tangible Fixed Assets

- Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates and costs recovered from the customers towards the cost of assets are adjusted in arriving at the cost of the assets.
- Capital Inventory represents items of capital nature lying in the Stores and is valued at cost. Capital spares are capitalised with the cost of the plant and machinery and depreciated over the useful life of the asset.
- Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets
- Gas distribution systems are commissioned on commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on an estimated basis pending receipt of final bills from the Contractors, and is subject to adjustment in cost and depreciation in the year of final settlement.
- Depreciation on tangible fixed assets

Depreciation is provided using the Straight Line Method on the basis of useful lives of assets as prescribed under schedule II of the Companies Act, 2013 or as determined by the management based on internal technical evaluation, which is as follows:

Asset	Life in Years
Mother Compressors, online compressors and Booster Compressors	7 years
Computers and Mobile Phones	3 years
Signages	10 years
Furniture & Fittings	10 years
Office Equipments	5 years
Fire Fighting Equipments	15 years
Pipeline	20 years
Plant & Machinery – other than compressors and pipeline	20 years
Vehicles	8 years
Building	60 years

Depreciation on additions / deletions is charged on pro-rata basis. Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase.

NOTES TO FINANCIAL STATEMENTS

(E) INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset.

(F) IMPAIRMENT OF ASSETS

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risk specific to the asset.
- After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life.
- An impairment loss can be reversed if there are changes in estimates used to determine the recoverable amount in future periods. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss has been recognized.

(G) Inventories

Stock of CNG in Cascades and PNG in pipelines has been valued at lower of cost computed on First in First out (FIFO) basis or Net Realizable value. Closing stock of PNG in pipelines has been estimated on volumetric basis.

(H) Investments

- Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

(I) Employee Benefits Expenditure

- **Contribution to Provident Fund (PF):** Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.
- **Gratuity:** The Company makes contributions to the 'Employees Group Gratuity Scheme' of 'The Life Insurance Corporation of India Limited (LIC)'. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end.

NOTES TO FINANCIAL STATEMENTS

The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the Projected Unit Credit method at each year end. Actuarial gains and losses are immediately taken to statement of profit and loss and are not deferred.

- **Leave Encashment:** The accrued liability for leave encashment is accounted for on the basis of Actuarial Valuation carried out by an independent Actuary. The Leave Encashment is accounted on accrual basis as and when earned by the employee. Actuarial gains and losses are immediately taken to statement of profit and loss and are not deferred.

(J) Borrowing Costs

- Borrowing costs, that are directly attributable to acquisition / construction of qualifying assets, are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use / sale.
- All other borrowing costs not eligible for inventorisation / capitalization are charged to statement of profit and loss.

(K) Foreign Currency Transaction

- Initial Recognition : Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- Conversion: Foreign currency monetary items are reported using the closing rate.
- Exchange Differences: Exchange Differences arising on the settlement / conversion on foreign currency are included in the Statement of Profit & Loss.

(L) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the Income-tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and accounting income for the year. The tax effect is calculated on the accumulated timing differences at the end of accounting period based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income to realize such assets. Other deferred tax assets are recognized if there is a reasonable certainty that there will be sufficient future taxable income to realize such assets. At each reporting date the company reassesses the unrecognized deferred tax assets and reviews the deferred tax assets recognized

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period

NOTES TO FINANCIAL STATEMENTS

(M) Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in financial statements.

(N) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprises cash at bank and in hand and in short-term investments with an original maturity of three months or less and which are not earmarked.

(O) Earnings Per Share

Basic Earnings per share is computed by dividing Profit after tax (PAT) for the year attributable to equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(P) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account.

(Q) Proposed Dividend

Dividend as proposed by the Board of Directors, including tax thereon is provided in the Books of Account pending approval at the Annual General Meeting.

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
3	SHARE CAPITAL		
	AUTHORISED:		
	10,00,00,000 (Previous Year 10,00,00,000)		
	Equity Shares of Rs. 10/- Each	10,000.00	10,000.00
		10,000.00	10,000.00
	ISSUED, SUBSCRIBED& PAID UP		
	9,50,00,000 (Previous Year 9,50,00,000)		
	Equity Shares Of Rs. 10/- Each	9,500.00	9,500.00
	Total	9,500.00	9,500.00
	a. Reconcillation of the equity shares outstanding at the beginning and at the end of the reporting period.		
	Shares outstanding at the beginning of the accounting period 9,50,00,000 (Previous Year 9,50,00,000)		
	Equity Shares Of Rs. 10/- Each	9,500.00	9,500.00
	Additions During the Year	-	-
	Shares outstanding at the end of the accounting period		
	9,50,00,000 (Previous Year 9,50,00,000)		
	Equity Shares Of Rs. 10/- Each	9,500.00	9,500.00

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would 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.

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
	C. Shareholders holding more than 5% equity shares in the Company(Equity Shares of Rs. 10 each)	No. of Shares (In Lacs)	No. of Shares (In Lacs)
	GAIL (INDIA) LIMITED 2 3.67% (23.67%)	224.88	224.88
	BPCL 23.68% (23.68%)	225.00	225.00
	Indraprastha Gas Limited 50.00% (-)	475.00	-
	IDFC 1.05% (21.05%)	10.00	200.00
	IL&FS 0.58% (11.69%)	5.56	111.10
	AXIS BANK 0.53% (10.53%)	5.00	100.00
	PAN ASIA 0.47% (09.36%)	4.44	88.90
	Other Individuals (Jointly with GAIL) - (-)	0.12	0.12
	Other Individuals - (-)	0.00	0.00
		950.00	950.00

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
4	RESERVES AND SURPLUS <u>PROFIT & LOSS ACCOUNT</u> As per last Balance Sheet Add : Profit for the year Less: Adjustment for depreciation as per Schedule II to the Companies Act, 2013 (Net of Deferred Tax 2.64) Less : Appropriations Interim Dividend on Equity Shares Final Dividend on Equity Shares Tax on Interim Dividend Tax on Final Dividend	7,258.67 5,057.71 4.98 12,311.39 712.50 304.00 142.46 61.89 11,090.55	3,093.39 5,410.09 - 8,503.48 - 1,064.00 - 180.83 7,25.65
5	LONG TERM BORROWINGS Secured Term Loan from Bank *	11,905.40 11,905.40	9,110.41 9,110.41
	<p>* Current maturities of long term borrowings have been reported separately under Note10.</p> <p>Security : Exclusive first charge on Fixed Assets (moveable and immovable) of the Company, both present and future and second charge on receivables, current assets etc of the company.</p> <p>Terms of Repayment : Terms of repayment of loan - 20 equated quarterly installments of Rs 12.50 Crores each starting from June 30, 2015 onwards.</p>		
6	DEFERRED TAX LIABILITIES Impact of difference between tax depreciation and Depreciation/Amortization charged for the period DEFERRED TAX ASSETS Impact of Expenditure charged to P&L in the current period but allowed for tax calculations on payment basis: - Leave Encashment - Gratuity - Other Total Deferred Tax Assets DEFERRED TAX LIABILITIES (NET)	 1,491.39 23.28 - - 23.28 1,468.12	 1,134.93 30.56 0.10 - 30.66 1,104.27

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
7	OTHER LONG-TERM LIABILITIES		
	Security Deposits From Customers	1,757.31	1,354.47
		1,757.31	1,354.47
8	LONG-TERM PROVISIONS		
	<u>PROVISIONS FOR EMPLOYEE BENEFITS</u>		
	Provision for Leave Encashment	60.50	84.85
	Provision for Gratuity	-	0.30
		60.50	85.16
9	TRADE PAYABLES		
	Net Trade Payables	1,999.58	1,915.41
		1,999.58	1,915.41
10	OTHER CURRENT LIABILITIES		
	Current Maturities Of Long Term Debts #	5,000.00	5,000.00
	Interest accrued and due	150.76	119.51
	Deposits (Earnest Money Deposit)	66.63	50.30
	TDS Payable	24.65	71.75
	Other taxes Payable	234.92	163.34
	Advance from Customers	59.49	30.78
	Capital Creditors	696.33	1,079.74
	Others	133.22	140.54
	Security Deposit	161.14	80.71
		6,527.15	6,736.67
	# Non- current maturities of long term debts have been reported separately under Note 5		
11	SHORT-TERM PROVISIONS		
	(A) Provisions For Employee Benefits	-	-
	Provision for Leave Encashment	6.76	5.07
	(B) Others		
	Provision for taxation (Net of advance taxes)	170.14	170.84
	Final Dividend on Equity Shares	304.00	1,064.00
	Tax on Final Dividend	61.89	180.83
		542.78	1,420.74

NOTES TO FINANCIAL STATEMENTS

Note No.12 -

(Rs. in Lacs)

TANGIBLE ASSETS									
PARTICULARS	Land	Building	Plant &	Plant & Machinery - I*	Computers Machinery II#	Office	Furniture Equip- ments	Vehicles and Fixture	Total
GROSS BLOCK									
Opening Balance as on 01-04-2013	264.60	-	10,122.22	1,672.93	39.92	78.84	87.19	3.64	12,269.34
Additions	-	83.31	5,566.73	1,132.83	10.55	3.05	37.23	-	6,833.69
Adjustments	-	-	-	-	-	-	-	-	-
Borrowing Costs	-	-	379.26	43.83	-	-	-	-	423.09
Other Adjustments	-	-	(5.35)	-	-	-	-	-	(5.35)
Disposals	-	-	-	-	(0.84)	(0.51)	-	-	(1.35)
Closing Balance as on 31-03-2014	264.60	83.31	16,062.86	2,849.59	49.63	81.38	124.42	3.64	19,519.42
Additions	-	-	1,358.26	423.12	12.31	1.10	0.17	4.37	1,799.33
Adjustments	-	-	-	-	-	-	-	-	-
Borrowing Costs	-	-	117.54	39.95	-	-	-	-	157.49
Other Adjustments	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Closing Balance as on 31-03-2015	264.60	83.31	17,538.66	3,312.67	61.94	82.48	124.59	8.01	21,476.24
DEPRECIATION									
Depreciation as at 01-04-2013	-	-	1,121.06	575.66	27.39	20.70	21.02	2.33	1,768.16
Charge for the year	-	0.54	638.56	305.96	5.21	6.01	7.20	0.35	963.83
Other Adjustments	-	-	0.42	(89.13)	(1.28)	(0.17)	-	(0.88)	(91.04)
Disposals	-	-	-	-	(0.84)	(0.20)	-	-	(1.04)
Closing Balance as on 31-03-14	-	0.54	1,760.04	792.50	30.48	26.34	28.22	1.80	2,639.89
Charge for the year (Refer Note No.30[c])	-	1.4	861.77	451.25	11.44	16.86	14.51	0.96	1,358.19
Other Adjustments	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Closing Balance as on 31-03-2015	-	1.93	2,621.81	1,243.75	41.92	43.20	42.73	2.76	3,998.08
NET BLOCK									
As on 01-04-2014	264.60	82.77	14,302.82	2,057.10	19.15	55.04	96.20	1.84	16,879.54
As on 31-03-2015	264.60	81.38	14,916.85	2,068.92	20.02	39.28	81.85	5.25	17,478.16

The amount of borrowing cost shown under adjustments reflect the accumulated borrowing cost transferred from CWIP on capitalisation.

* - P & M I - Plant & Machinery excludes Compressors. # - P & M II - Includes Compressors only.



NOTES TO FINANCIAL STATEMENTS

Note No.13

(Rs. in Lacs)

INTANGIBLE ASSETS		
PARTICULARS	Software	Total
GROSS BLOCK		
Opening Balance as on 01-04-2013	63.41	63.41
Additions	6.48	6.48
Disposals	-	-
Closing Balance as on 31-03-2014	69.89	69.89
Additions	592.16	592.16
Disposals	-	-
Closing Balance as on 31-03-15	662.05	662.05
AMORTIZATION		
Amortization as at 01-04-2013	53.15	53.15
Charge for the year	7.80	7.80
Other Adjustment	(0.63)	(0.63)
Closing Balance as on 31-03-2014	60.32	60.32
Charge for the year	107.39	107.39
Other Adjustments	-	-
Disposals	-	-
Closing Balance as on 31-03-15	167.71	167.71
NET BLOCK		
As on 01-04-2014	9.57	9.57
As on 31-03-2015	494.34	494.34

There are no internally generated intangible assets.

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
14	NON CURRENT ASSETS:		
	Capital Advance	31.89	33.08
	Security Deposit	152.22	147.77
	Earmarked Fixed Deposits	212.22	141.13
		396.33	321.98
15	INVENTORIES		
	Finished Goods; (Valued at lower of cost or net realizable value.)	49.17	38.28
		49.17	38.28
16	TRADE RECEIVABLES (Net) (Unsecured, considered good, unless otherwise specified)		
	a) Outstanding for a period exceeding six months from the due date	241.22	6.13
	b) Others	4,884.29	3,904.15
		5,125.51	3,910.28
17	CASH & BANK BALANCES		
	Cash and Bank Balances		
	Cash including cheques in hand	18.85	32.81
	Balance with banks (Current Account)	2,943.64	2,336.29
	Other Bank Balances		
	- Earmarked Balance with Bank for Unpaid Dividend	-	0.01
	- In Fixed Deposit	-	-
	Maturity within 12 months :		
	Earmarked	612.05	451.84
	Others	1,000.00	-
		4,574.54	2,820.95
18	SHORT TERM LOANS & ADVANCES (Unsecured, considered good, unless otherwise specified)		
	(1) Advances to Vendors & Employees	1.48	-
	(2) Security Deposits	39.86	27.87
	(3) Receivable from Revenue Authorities		
	- Cenvat Recoverable	381.60	736.14
	- VAT Recoverable	20.20	10.31
	- Balance with Income Tax	54.66	41.99
		497.80	816.32



NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
19	OTHER CURRENT ASSETS:		
	Unbilled Revenue	66.01	189.98
	Prepaid Expenses	53.70	33.80
	Prepaid Gratuity	2.43	-
	Interest Receivable	2.79	2.79
		124.93	226.57
20	REVENUE FROM OPERATIONS		
	Sale of Products (Gross)	49,718.36	37,445.54
	Less: Excise Duty	4,137.33	2,821.35
	Revenue From Operations (Net)	45,581.03	34,624.19
21	OTHER INCOME		
	Interest Income	69.87	49.03
	Other Operating Income	271.40	61.84
		341.27	110.87
22	PURCHASE OF NATURAL GAS		
	Natural Gas Cost	30,942.89	21,418.26
		30,942.89	21,418.26
23	CHANGES IN INVENTORIES		
	Stock-in-trade		
	At the beginning of the Accounting Period	38.28	12.57
	At the end of the Accounting Period	49.17	38.28
		(10.88)	(25.71)
24	EMPLOYEE BENEFITS EXPENSE		
	Salaries, Wages and Bonus	723.11	487.73
	Secondment Expenses	101.51	102.41
	Contribution to Provident and other fund	36.51	32.18
	Gratuity (Exp)	7.95	7.40
	Compensated Absence	(21.97)	13.76
	Staff Welfare	8.37	4.55
		855.48	648.03
25	FINANCE COSTS		
	Interest on borrowing	477.29	446.10
	Bank charges	53.13	25.02
	Other	4.46	7.54
		534.88	478.66

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
26	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on tangible assets	1,350.57	963.83
	Amortization on intangible assets	107.39	7.80
	Depreciation for earlier years	-	(91.67)
		1,457.96	879.96
27	OTHER EXPENSES		
	1. Consumption of Fuel		
	Power & Fuel	618.31	530.40
	Captive Consumption / Losses	1,313.78	740.11
	Ethyl Mercaptan	4.24	1.68
		1,936.32	1,272.19
	2. Administrative Expenses		
	Vehicle Hiring Charges	68.19	79.13
	Annual Day & Other Events Expenses	24.56	24.92
	Subscription / Membership Fees (Journal/recreations,etc.)	3.74	2.27
	Electricity Expenses	11.84	11.85
	Statutory Charges & Taxes (Rates & Taxes)	107.21	40.38
	General Expenses	2.31	0.37
	Rent for Office, Warehouse, CNG Stations, etc.	222.48	109.89
	Insurance (Assets, Health, etc.)	25.26	9.64
	Legal Expenses	28.11	30.67
	News Paper & Periodicals	1.43	1.43
	Postage & Courier Exp. and Telephone Exp.	23.12	16.56
	Professional fees	49.81	29.90
	Printing & Stationery	9.90	13.46
	Loss on sale of Assets	-	0.10
	Repairs to Machinery	0.20	0.17
	Repairs & Maintenance (General)	25.26	14.90
	Security Agency Expenses	55.00	52.44
	Recruitment Expenses	0.47	3.64
	Training and Seminar Expenses	24.45	23.12
	Safety Expenses	5.30	5.10
	House Keeping Expenses	20.39	13.02
	Conference Expenses (Board Meeting Expenses)	3.96	2.90

NOTES TO FINANCIAL STATEMENTS

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
	Travelling Expenses	27.26	46.68
	Prior Period Expenses	-	13.69
	Stores and Spares Consumed	8.08	40.23
	Corporate Social Responsibility (CSR)	100.00	-
	SAP Support Costs	94.41	-
		942.76	586.46
	Professional Fees include Auditors' Remuneration as follows:		
	(a) Statutory Audit Fees	3.24	2.44
	(b) Income Tax Audit Fees	3.64	1.78
	(c) Tax Representation	3.44	1.12
	3. Selling & Distribution Expenses		
	Advertisement Exps./Business & Sales Promotion Exp	12.90	23.43
	Commision	43.62	48.08
	CNG Cascade Transport Charges	354.86	445.61
	Marketing Expenses (DMA Charges)	11.32	24.80
		422.70	541.92
	4. Operations and Maintenance Expenses		
	CNG	878.49	558.54
	PNG	172.50	127.44
		1,051.00	685.98
		4,352.78	3,086.55

NOTES TO FINANCIAL STATEMENTS

28 Contingent Liabilities and Commitments

A Contingent Liabilities

- 1 Letters of Credit issued to the Suppliers are Rs. 2095.13 Lacs (Previous Year Rs 2879.69 Lacs)
- 2 Bank Guarantees - Rs. 3349.81 Lacs (Previous Year Rs. 990.90 Lacs)
- 3 Appeal filed in respect of disputed demands:
 - Sales Tax for FY 2009-10 Rs. 35.47 lakhs (Previous Year Rs 35.47 Lacs)
- 4 Claims against the company not acknowledged as debt Rs. 3848.27 Lacs (Previous Year Rs. 3118.27 Lacs)

B Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 5387.77 Lacs (Previous Year Rs. 2290.70 Lacs).

29 Segment Reporting

The company operates in a single segment of city gas distribution in Pune and adjoining areas and there are no separate reportable segments and therefore the disclosure requirements under Accounting Standard 17 on "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006 of Companies Act, 2013 are not applicable.

30 Others

- a) As per the information available with the company, none of the suppliers has informed about their having registered themselves under The Micro, Small and Medium Enterprises Development Act, 2006. As such information required under this act cannot be compiled and disclosed.
- b) Non Refundable Deposits made with the concerned authorities for Railway crossings, river crossings, removal and laying of electric/ telephone poles and lines are accounted as Fixed Assets / Capital work in progress on the basis of work done/ confirmation from concerned Departments.
- c) Pursuant to Companies Act, 2013 ("the act") effective from 01 April, 2014, the company has revised depreciation rates on fixed assets as per the useful life specified in Part "C" of Schedule II of the act or as per the estimates based on Internal Technical Evaluation made by the management. As result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs 67.62 Lacs. In respect of the assets whose useful life is already exhausted as on 01 April 2014 depreciation of Rs. 7.62 Lacs, net of Deferred tax of Rs. 2.64 Lacs, amounting to Rs. 4.98 Lacs has been adjusted in Retained Earnings in accordance with the requirements of the Schedule II of the Act.



NOTES TO FINANCIAL STATEMENTS

31	Related Parties Disclosure - AS 18:		
	Names and Relationship of Transacting Parties		
	No.	Name	Relationship
	1	GAIL (India) Limited	Significant Influence
	2	Bharat Petroleum Corporation Ltd. (BPCL)	Significant Influence
	3	Indraprastha Gas Limited	Significant Influence
	Key Management Personnel and their Relatives :		
	No.	Name	Relationship
	1	Mr. B.N.Gosain (Upto January 31, 2015)	Managing Director
		Mr. A.M.Tambekar (From February 04,2015)	Managing Director
	2	Mr. C. K. Jain (Upto July 31,2015)	Director (Commercial)
		Mr. J. Vedagiri (From August 1, 2015)	Director (Commercial)
Disclosure in respect of Related Party Transactions :			(Rs. in Lacs)
Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
1	BPCL		
	Sales	5,562.17	6,418.89
	Purchases	5,157.02	2,626.27
	Salaries, Allowances & Other related payments	49.87	40.01
	Reimbursement of expenses	1.25	1.02
	Trade Receivable	522.54	567.42
	Trade Payable	115.37	392.34
	Expenses payable	7.43	15.58
	Interim Dividend Paid	168.75	-
	Proposed Dividend	72.00	252.00
2	GAIL		
	Purchases*	24,222.41	19,921.02
	Salaries, Allowances & Other related payments	43.68	53.87
	Reimbursement of expenses	4.04	5.77
	Trade Payable	1,185.05	1,146.38
	Expenses payable	7.02	3.57
	Interim Dividend Paid	168.75	-
	Proposed Dividend	72.00	252.00

* Including Transmission Charges

NOTES TO FINANCIAL STATEMENTS

32 EMPLOYEE BENEFITS EXPENSES

Defined Contribution Plan:

Company's contribution to Provident Fund at the prescribed rates is recognised as expense and accordingly charged Rs. 36.51 Lacs (Previous Year : Rs. 32.18 Lacs) to the Statement of Profit and Loss.

Defined Benefit Plan:

Earned Leave Benefit (EL):

Based on Actuarial Valuation of Compensated Absences amount recognised as income in the Statement of Profit and Loss Rs. 21.97 Lacs (Expense for the Previous Year : Rs. 13.76 Lacs). The liability has not been funded by the company.

Disclosures required under AS - 15 are as under :

(Rs. in Lacs)

PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
Amount recognized in the Balance Sheet :		
Present value of obligation as at 01.04.14	89.92	76.23
Current Service Cost	(21.97)	13.76
Benefit paid	(0.69)	(0.07)
Net (asset)/ liability recognized in Balance Sheet	67.26	89.92
Principal Actuarial Assumption at Balance Sheet Date :		
Discount Rate	8.00%	9.20%
Annual Increase in Salary	5%	12%
Mortality table referred	IALM (2006-08)	IALM (2006-08)
	Ultimate	Ultimate
Age Withdrawal Rate (%)	4%	4%

NOTES TO FINANCIAL STATEMENTS

Gratuity:

Amount recognised as an expense in respect of gratuity Rs. 7.95 Lacs (Previous Year : Rs. 7.40 Lacs). The company participates in the group gratuity scheme of Life Insurance Corporation of India.

Disclosures required under AS - 15 are as under:

(Rs. in Lacs)

Sr. No.	PARTICULARS	Figures as at the current reporting period ending on March 31,2015	Figures as at the previous reporting period ending on March 31, 2014
	Amount recognized in the Balance Sheet :		
	Present value of Obligation (I)	37.05	26.21
	Fair value of plan assets as at 31.03.2015 (II)	39.48	25.91
	Difference (II)-(I)	2.43	(0.30)
	Net asset/ (liability) recognized in Balance Sheet	2.43	(0.30)
	Expenses recognized in Statement of Profit and Loss :		
	Current service cost	6.65	5.79
	Interest on benefit obligation	2.10	1.34
	Expected return on plan assets	(2.88)	(2.04)
	Net actuarial (gain) / loss recognized in the year	2.10	2.31
	Expenses recognized in P&L A/C for FY 14-15	7.95	7.40
	Changes in present value of Defined Benefit Obligations :		
	Present value of obligation as at 01.04.14	26.21	16.77
	Interest Cost	2.10	1.34
	Current service cost	6.65	5.79
	Benefit paid	-	-
	Net actuarial (gain) / loss on obligation	2.10	2.31
	Present value of the defined benefit obligation as at 31.03.15	37.05	26.21
	Changes in the Fair Value of Plan Assets :		
	Fair value of plan assets as at 01.04.14	25.91	16.80
	Expected return on plan assets	2.88	2.04
	Contributions by employer	10.69	7.07
	Benefit paid	-	-
	Actuarial (gain) / loss	-	-
	Fair value of plan assets as at 31.03.2015	39.48	25.91
	Principal Actuarial Assumption at Balance Sheet Date :		
	Discount Rate	8%	8%
	Annual Increase in Salary	5%	5%
	Mortality table referred	LIC (1994-96)	LIC (1994-96)

NOTES TO FINANCIAL STATEMENTS

33 Leases :

The company has taken some office / residential premises and warehouses on operating lease the future minimum payments in respect of which as on March 31,2015 are as follows:

Minimum Lease Payment**(Rs. in Lacs)**

Particulars	2014-15	2013-14
Payable not later than 1 year	152.34	127.75
Payable later than 1 year not later than 5 years	420.22	306.45
Payable later than 5 years	1,373.59	844.17
Total	1,946.15	1,278.37
Lease Rental Expenses recognized in Statement of Profit and Loss	222.48	109.89

34 Earnings per Share :

Particulars	2014-15	2013-14
Net Profit attributable to Shareholders (in Lacs)	5,057.71	5,410.09
Weighted Average No. of Equity Shares	9,50,00,000	9,50,00,000
Basic Earnings per Share (Rs.)	5.32	5.69

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains same.

35 Details of Capital Work in Progress:**(Rs. in Lacs)**

Particulars	2014-15	2013-14
CNG Cascades and Dispensers	214.71	241.31
Compressors	766.10	1,180.83
Pipeline-Steel/MDPE	6,815.64	5,830.47
Permission / License fee	4,528.70	4,796.21
Interest	2,110.60	1,130.22
Others	1,674.84	283.25
Total	16,110.59	13,462.29

36 Net Dividend remitted in Foreign Exchange

Year of Remittance	2014-15	2013-14
Period to which it relates - From	April 1,2013	April 1,2012
To	March 31,2015	March 31,2013
Number of Non resident shareholders	1	1
Number of equity shares held on which dividend was due	8,888,889	8,888,889
Amount remitted (In USD)		
Final Dividend FY 2013-14	\$161,485.00	\$115,533.89
Interim Dividend FY 2014-15	\$105,703.00	-
Exchange Rate		
Final Dividend FY 2013-14	61.65	61.55
Interim Dividend FY 2014-15	63.07	-



NOTES TO FINANCIAL STATEMENTS

37 Corporate Social Responsibility

(Rs. in Lacs)

Financial Year	PBT
2011-12	1,820.00
2012-13	4,992.00
2013-14	8,249.00
Average of PBT for last 3 years	5,020.00
2% of Average of PBT	100.00

CSR related expneses	
Particulars	2014-15
Skill Development	30.00
PM Relief Fund	35.00
Swatch Bharat Kosh	35.00
Total	100.00

38 Comparative Figure

Previous Year's figures have been regrouped / re-classified wherever considered necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached
For M/s P G Bhagwat
Firm Registration Number: 101118W
Chartered Accountants
Sd/-
Sandeep Rao
Partner
Membership No : 47235

For and on behalf of the Board

Sd/- I.S.Rao (Chairman)	Sd/- A.M. Tambekar (Managing Director)	Sd/- J. Vedagiri (CFO)	Sd/- Ritu Aggarwal (Company Secretary)
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Place : Mumbai
Date : 10th September, 2015



VLP Training conducted by Bharat Petroleum Corporation Limited



Interaction with Prospective CNG dealers

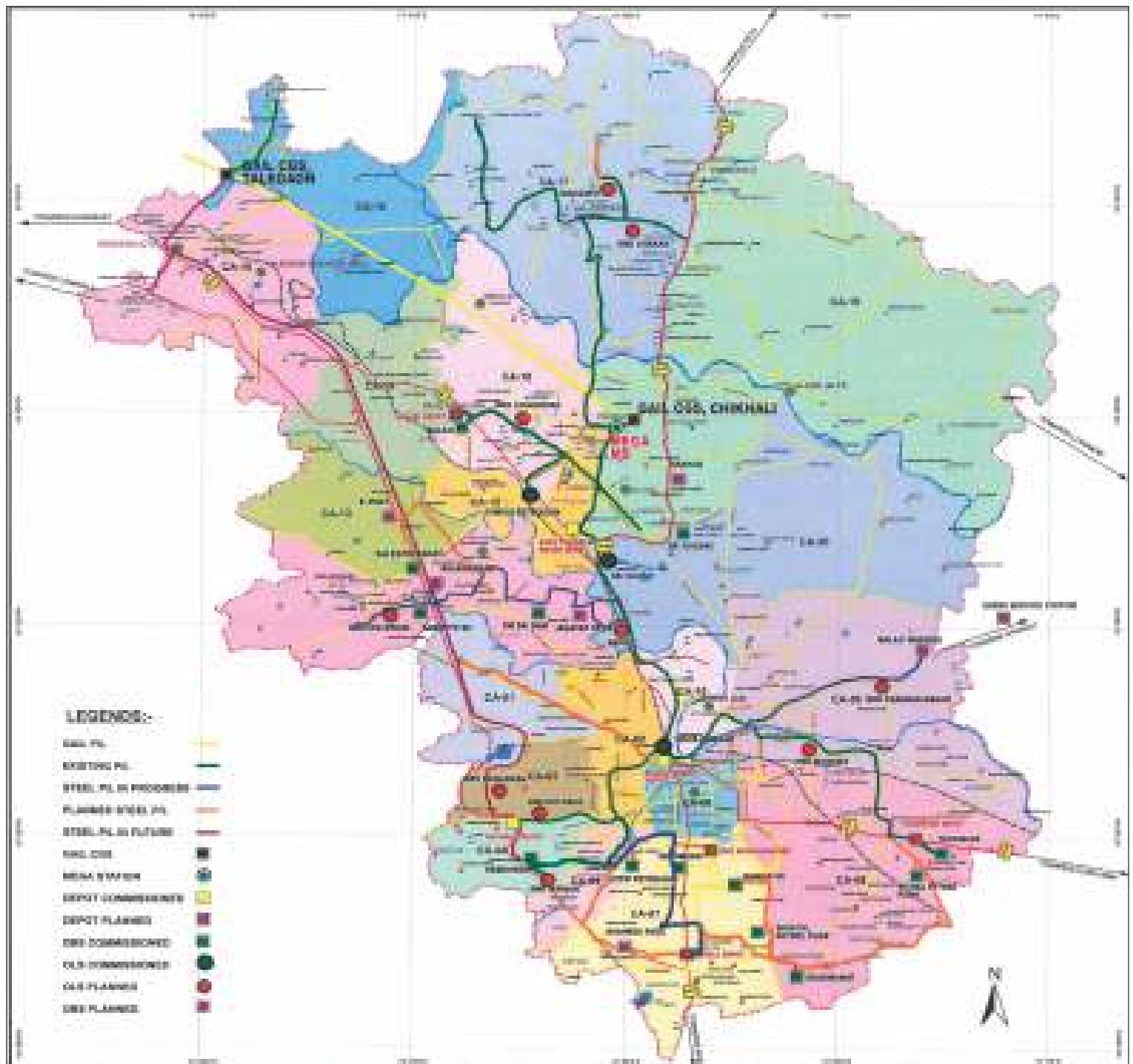


MAHARASHTRA NATURAL GAS LIMITED

(A joint venture of GAIL (India) Ltd. and Bharat Petroleum Corpn. Ltd.)

Plot No. 27, Narveer Tanajiwadi, P.M.P.M.L. Bus Depot Commercial Bldg.
1st Floor, Shivajinagar, Pune 411 005. Tel.: 91-20-25611000 Fax: 91-20-25111522

EXISTING CNG AND CITY GAS DISTRIBUTION NETWORK AS ON 31.03.2015



ANNUAL REPORT 2014-2015