

ANNUAL REPORT 2018-2019

INDEX

Content	Page No.
Letter from the Chairperson	01
Board of Directors	04
Financial Highlights	05
Milestones	07
AGM Notice	08
Director's Report	16
CAG Comments	51
Auditor's Report	53
Balance Sheet	65
Statement of Profit and Loss	66
Cash Flow Statement	67
Notes to Financial Statements	69



CHAIRMAN'S SPEECH

34.94% | **37.20%**
Profit After Tax (Growth in %) | Turnover (Growth in %)



Dear Shareholders,

It is indeed my privilege to share with you the results of the financial year 2018-19. Your Company which started its journey almost 13 years back is growing continuously towards fulfillment of its objective of providing clean, environment friendly green fuel as an alternative to its customers in the domestic, commercial and industrial sectors.

MNGL is strengthening its roots in the existing authorized Geographical Area(GA) covering Pune and adjoining areas. Additionally, your company is on its way to expand CGD network in Nashik GA (Nashik, Dhule & part of Valsad in Gujarat), Sindhudurg GA in Maharashtra and Ramanagara GA in the state of Karnataka which were awarded by the Petroleum and Natural Gas Regulatory Board (PNGRB) under 9th CGD Bidding round. The continuous trust of customers and stakeholders in the abilities of MNGL has helped your Company deliver greater results by achieving significant milestones during the year. We believe that our ever growing experience coupled with Company's dynamic leadership, empowered and competent workforce, realistic business approach and strong promoter support enable the company to expand and grow its business.

India is among the fastest growing economies of the world with a GDP of \$2.9 trillion in F.Y. 2018-19. GDP growth rate witnessed a cyclical movement as it reached an impressive milestone of 8.2% in the first quarter and drop down at to 5.8% in the fourth quarter. In the backdrop of such heightened economic activity, the demand for natural gas has increased significantly due to rapid growth in population, increase in urbanization and policy support. By 2025, Natural Gas sector is expected to make a significant contribution to the country's energy mix. Much of the future growth of Natural Gas usage in domestic economy will play out in the City Gas Distribution (CGD) segment and the landscape of CGD industry is fast changing with coverage of a large number of GAs in various parts of the country. We, at MNGL, are strategically positioned to leverage new opportunities in the CGD sector.

The financial year 2018-19 was another year of robust growth in our performance. During the year, gross turnover grew by 37.20% to Rs. 909.84 Crores from Rs. 663.14 Crores in the previous year. Profit after Tax showed an increase of 34.94% from Rs. 105.71 Crores in the previous year to Rs. 142.65 Crores in FY 2018-19. The Company has continued to maintain its track record of dividend payment. For FY 2018-19, Board of Directors has recommended 26.4% dividend i.e. Rs. 2.64 per share. Shareholders shall be happy to know that the Comptroller & Auditor General of India has conveyed "NIL" report for fifth successive year which is a reflection of the accounting standards devoutly complied by your Company.

On the operational front, your Company augmented its infrastructure by having 67 CNG stations with total compression capacity of 11.01 lacs kg per day. As on March 31, 2019, the Company was catering to 2.22 lacs vehicles in Pune and adjoining areas. During the year, the Company provided record number of 66,393 new PNG domestic connections, taking total number to more than 1.69 lacs. Total 45 new Commercial and Industrial consumers were added to increase total consumer base to 1,69,894. Your Company continues to witness steady growth in sales volume, backed by growing CNG and PNG distribution network. The overall sales volume increased by 19.77% as compared to the previous year.

MNGL believes that outstanding business performance requires outstanding HSE performance. We work relentlessly to ensure health and safety of our employees and contractors. 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. It is worth mentioning here that your Company has crossed 5.04 Million accident free man hours till 31st March 2019, as a result of various safety programs arranged by the Company to increase the awareness about safety amongst our consumers and employees.

Besides expansion, your Company is also focused on customer needs and is continuously making efforts to improve its services. MNGL converted its bill payment mechanism on digital platform by introducing credit card payments and ATM at its CNG stations. Moreover, your Company is also planning to develop new and advance customer centric Mobile Application to provide user friendly experience to our customers in all domain. The Company has provided various options of digital payments through our website for the convenience of customers.



In compliance with CSR policy, your Company is actively participating in various CSR projects during F.Y.2019-20 in association with local NGOs & other Organizations such as Sponsoring the Step-Up Foundation, a registered NGO in Pune, to conduct awareness programs about adolescence related issues in 15 Schools in Pune City through their 'We-Wake & We-Lead' program, donation of 2 Buses running on environment-friendly fuel (CNG) to Savitribai Phule Pune University (SPPU) for the convenience of the students, providing financial assistance to "Ishwarpuram", a registered charitable society working to provide complete care, education and accommodation facilities to BPL students, facilitating construction of new Hostel for them, sponsorship of 2 units of Ventilator Sets to "Sasoon Hospital" etc. Being a socially responsible corporate, your company will continue to strengthen its CSR portfolio to create more value.

Your Company has always given importance to its Human Capital and believes that the challenges of the future can be best met with competent and motivated Human Resources. With the current growing opportunities in CGD, we had some impact on attrition and few employees left the company. However, at the same time, we have bridged the gap by recruiting additional manpower. The Company has consistently putting its efforts to mould the employee oriented policies for the benefit and welfare of its employees. In this regard, the Company has taken various initiatives such as periodic revision in remuneration, arranging specialized training for the employees etc. In order to encourage team work and to enhance interaction among employees, various extra-curricular activities such as sports, Foundation Day Celebration, Women's Day celebration etc. are organized from time to time.

In consideration of all these aspects, we are confident about maintaining business momentum and delivering a strong performance in the coming years, with continuous expansion of our business in newly awarded GAs in state of Maharashtra & Karnataka and increasing consumer base.

I take this opportunity to place on record the appreciation for valuable contribution made by Smt. Vandana Chanana, Shri I.S. Rao, Shri E. S. Ranganathan, Shri A. M. Tambekar and Shri Rajiv Sikka during their tenure as Board Members. I would like to mention that it is a great pleasure for the company to get continuous valuable contribution in its growth from the Independent Directors, Shri Rajesh Pande & Shri Deepak Mukadam. On behalf of the Board and the Company as a whole, I sincerely acknowledge the support extended by Promoters (GAIL & BPCL), along with Indraprastha Gas Limited & MIDC as other equity partners. I would like to thank Ministry of Petroleum & Natural Gas, Govt. of India, PNGRB, all the concerned departments of the Central and State Governments, our valued Customers, all the authorities and agencies of PMC, PCMC Cantonment Boards, Regulators, Vendors, Financial Institutions and other stake holders for their unstinted support and co-operation for our aspiration to expand clean and green environment.

I, along with my colleagues on the Board, also record our profound appreciation to all employees for their untiring and exceptional contribution in shaping together the future of your company.

My special thanks to all the shareholders of MNGL for their confidence and trust reposed on us. I am sure that with all your excellent support, the Company will continue to scale newer heights.

Thank you

R. P. Natekar
Chairman

BOARD OF DIRECTORS

Shri R.P. Natekar

Shri S. Halder

Shri Santosh Sontakke

Shri Sanjay Kumar

Shri Ashim Batra

Shri Amit Garg

Shri Abhishek Krishna

Shri Deepak Mukadam

Shri Rajesh Pande

BANKERS

State Bank of India

HDFC Bank

Axis Bank

IndusInd Bank

Corporation Bank

YES Bank

ICICI Bank

IDFC Bank

Statutory Auditors

M/s. Khire Khandekar Kirloskar,
Chartered Accountants
A-3, Lara Residency, Mayur Colony
Kothrud, Pune - 411029

Cost Auditors

M/s. M. R. Pandit & Co.,
Cost Accountants
E7, Lake Town City, Bibwewadi
Pune - 411037

Secretarial Auditor

M/s. Bokil Punde & Associates
2nd Floor, Setu, Near Chhatre Hall
Plot 69, Bharatkunj Colony, Erandawana
Pune - 411038

Share Transfer Agent

UTI Infrastructure Technology and Services Ltd.
Plot No.3, Sector 11, CBD Belapur
Navi Mumbai - 400614

Chief Financial Officer

Shri S. Chandramohan

Company Secretary

Ms. Shreya Prabhudesai

Registered Office

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



BOARD OF DIRECTORS



Shri R.P. Natekar
Chairman



Shri S. Halder
Managing Director



Shri Santosh Sontakke
Director (Commercial)



Shri Ashim Batra
Director



Shri Rajiv Sikka
Director



Shri Sanjay Kumar
Director



Shri Abhishek Krishna
Director



Shri Deepak Mukadam
Independent Director



Shri Rajesh Pande
Independent Director



Smt. Vandana Chanana
Chairperson
(upto 31.8.2018)



Shri I.S. Rao
Director
(upto 25.06.2018)



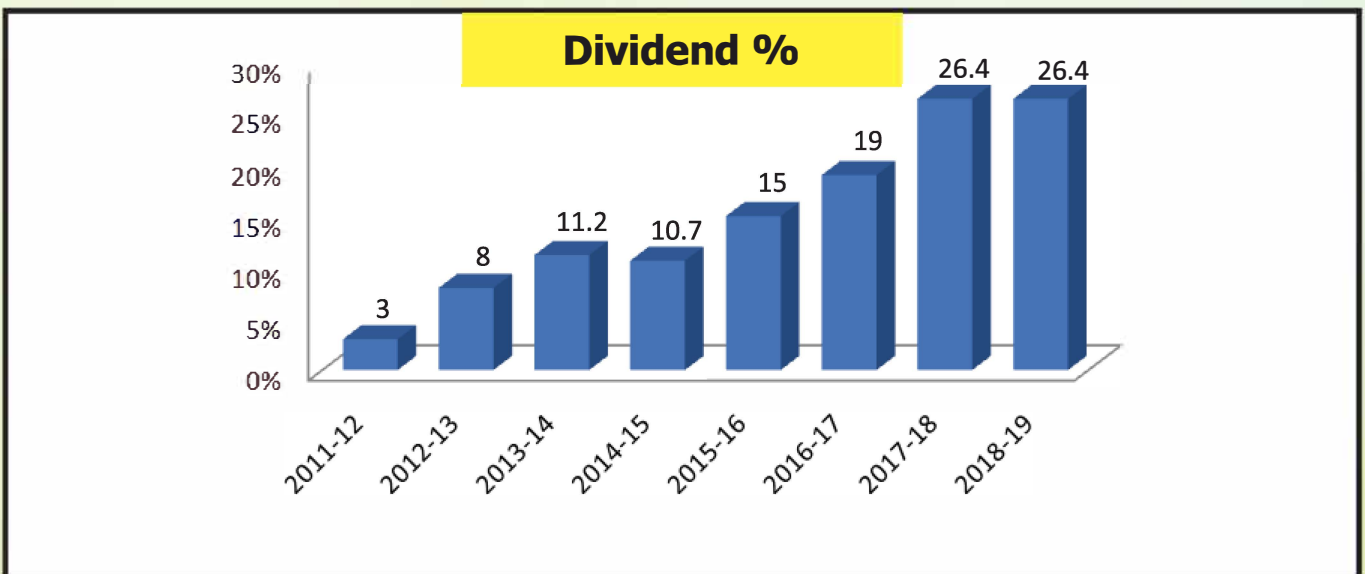
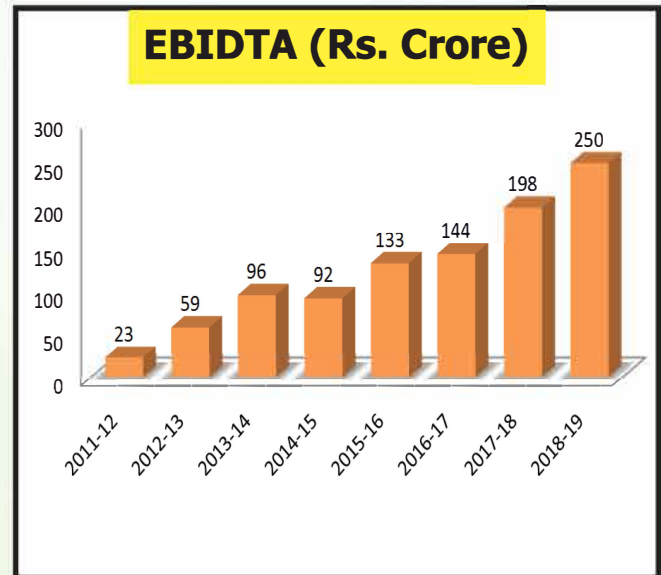
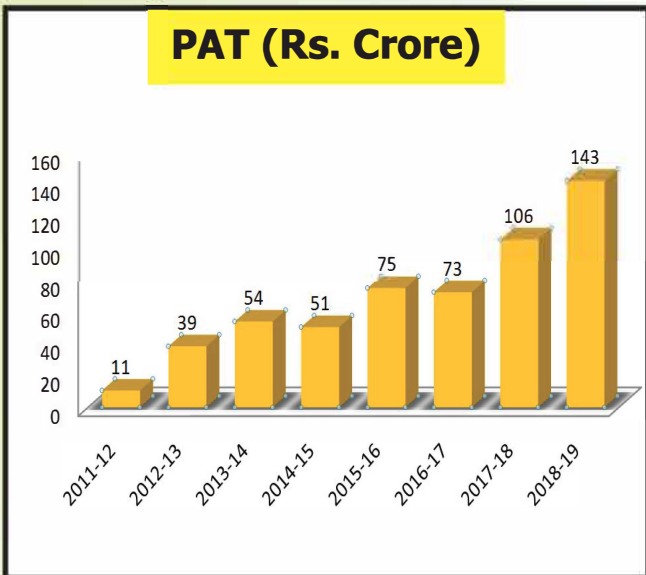
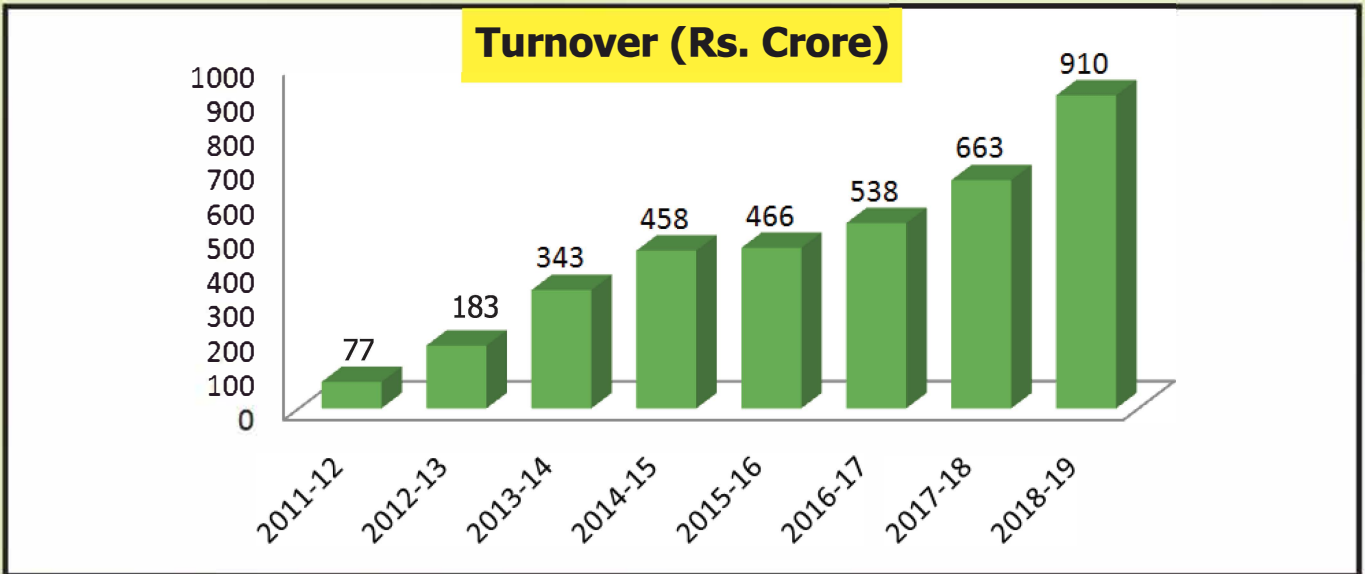
Shri E.S. Ranganath
Director
(upto 17.12.2018)



Shri A. M. Tambekar
Managing Director
(upto 30.04.2019)



FINANCIAL PERFORMANCE AT GLANCE



Objective

- 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.

Mission

MNGL aims to become fastest growing CGD in India with continuous improvement in all facets of work.

MNGL at a Glance

MNGL is a joint venture company, promoted by Maharatna PSUs i.e. GAIL (India) Limited (GAIL) & Bharat Petroleum Corporation Ltd. (BPCL), with Govt. of Maharashtra through MIDC and Indraprastha Gas Ltd (IGL), Delhi as their equity partners.

Maharashtra Natural Gas Limited (MNGL) was incorporated in January 2006 to implement City Gas Distribution Project in Pune including Pimpri-Chinchwad for the supply of Compressed Natural Gas (CNG) to Automobiles and Piped Natural Gas (PNG) to Domestic, Commercial and Industrial consumers. In the 9th round of CGD bidding, your Company has acquired new GAs and is spreading its network in other districts of Maharashtra like Sindhudurg, Nashik, Dhule and Valsad (part) in Gujarat and Ramanagara in Karnataka.

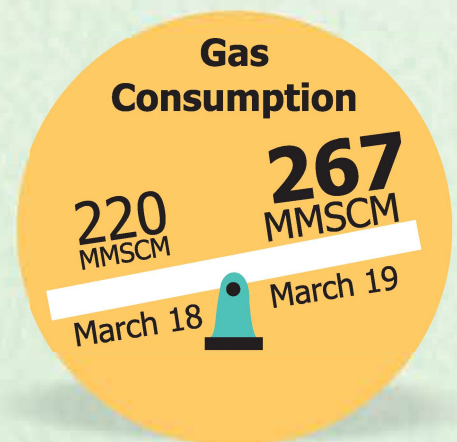
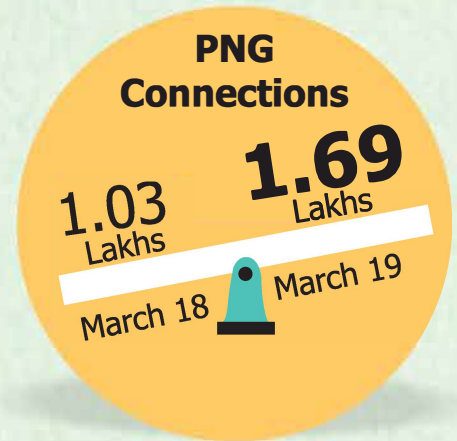
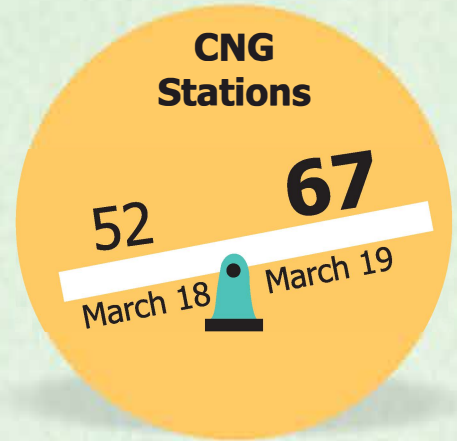
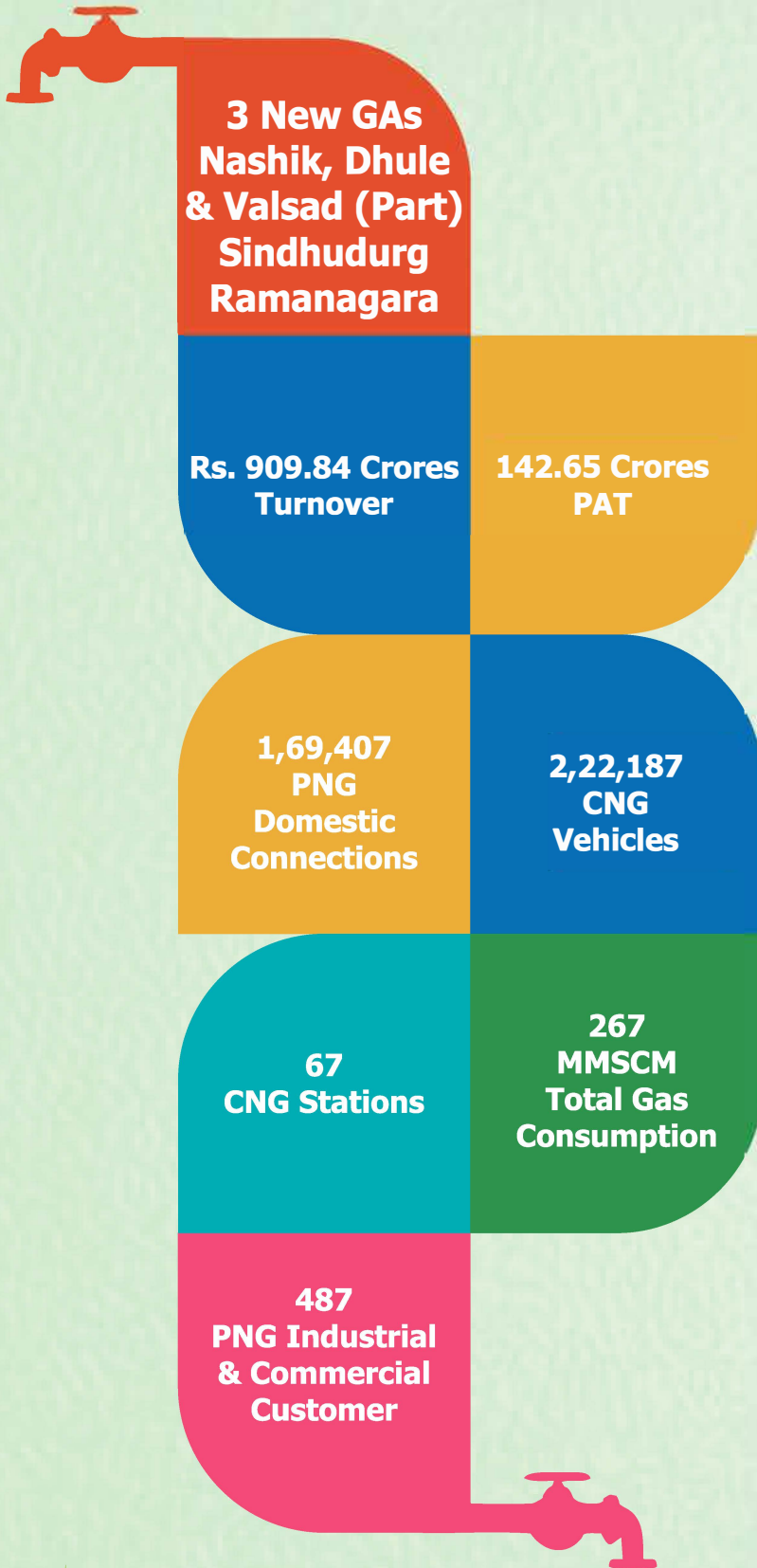


MNGL



MILESTONES

MNGL GROWTH IN FY 2018-19





**Maharashtra Natural Gas Limited
(A Joint Venture of GAIL and BPCL)**

Registered Office: Plot No. 27, 'A' Block, 1st Floor, PMPML Commercial Building, near P.M.T. Bus Depot, Narveer Tanajiwadi, Shivajinagar, Pune - 411005
CIN: U11102PN2006PLC021839 **Website:** www.mngl.in **E-mail:** shreya.prabhudesai@mngl.in
Phone: 020- 25611000 **Fax:** 020- 25511522

NOTICE

The shareholders of Maharashtra Natural Gas Limited are hereby given notice to attend the 13th Annual General Meeting to be held on Monday, 16th September, 2019 at 3.00P.M. at Amanora The Fern Hotels & Club, 1st Floor, Business Centre, Amanora Park Town, Amanora Magarpatta Road, Hadapsar, Pune - 411028 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Director's Report, Independent Auditor's Report and the comments thereon of the Comptroller & Auditor General of India and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Audited Financial Statements for the financial year ended 31st March, 2019, Director's Report, Independent Auditor's Report and the comments thereon of the Comptroller & Auditor General of India be and are hereby received, considered and adopted."

2. To declare final dividend @ 26.4% (Rs. 2.64/-per share) on the paid-up equity share capital of the Company (Rs. 100 Crores) as on the date of declaration for the financial year ended 31st March, 2019 as recommended by the Board and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT approval of the shareholders be and is hereby accorded for payment of final dividend @ 26.4% (i.e. Rs. 2.64/- per equity share) on the paid-up equity share capital of the Company as on the date of declaration for the financial year ended on 31st March, 2019, as recommended by the Board."

3. To appoint a Director in place of Shri Sanjay Kumar, who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act 2013 and Article 122 of the Company, Shri Sanjay Kumar, Director (DIN:08346704), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re- appointed as the Director of the company liable to retire by rotation."

4. To authorize Board of Directors to fix the remuneration to the Statutory Auditors of the company appointed by Comptroller and Auditor General of India (C& AG) in terms of Section 142 of the Companies Act, 2013 and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the requirement of section 142 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to decide and fix the remuneration of M/s. Khire Khandekar & Kirloskar, (Registration No. 105148W) Chartered Accountants, the Statutory Auditors of the company as appointed by the Comptroller and Auditor General of India for the F.Y. 2019-20."

SPECIAL BUSINESS:

To Consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s):

5. Ratification of payment of Remuneration to Cost Auditor for the F.Y. 2018-19.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditor(s) by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the F.Y. 2018-19 amounting to Rs. 4,72,000/- including applicable taxes and XBRL conversion charges & out of pocket expenses etc. be and is hereby ratified & confirmed."

6. To appoint Shri S. Halder as Managing Director and approve remuneration

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the Articles of Association of the company, approval of the members be and is hereby accorded to the appointment of Shri S. Halder (DIN: 08452845), as Managing Director of the Company on whole-time basis with effect from 1st May, 2019, on the terms and conditions including remuneration forwarded by GAIL (India) Limited vide office order no. GAIL/CO/TRF/04/2019 dated 25.04.2019 and letter ref. no.22/02/53/502/2019 dated 15.05.2019 with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may consider necessary and as may be agreed by Shri S. Halder/ GAIL;



RESOLVED FURTHER THAT Company shall provide facilities to Shri S. Halder approved by Board for his smooth functioning as Managing Director, and reimburse such expenses incurred by him in carrying out the responsibilities of Managing Director.

RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year closing on or after March 31, 2019, during the tenure of Shri S. Halder, as Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Shri S. Halder, as Managing Director, the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Shri S. Halder shall not be liable to retire by rotation nor shall be reckoned for determining the number of Directors liable to retire by rotation, till the time he holds the office as Managing Director of the Company."

7. Appointment of Shri Amit Garg as Nominee Director from IGL on the Board of MNGL

"RESOLVED THAT Shri Amit Garg (DIN: 08515246), who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 20th August, 2019 and who hold office until the date of Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 signifying his candidature for the office of Director, be and is hereby appointed as a Nominee Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

8. To approve for enhancement of borrowing limits of company

"RESOLVED THAT in supersession of the Special resolution passed by the Members of the Company at the 12th Annual General Meeting held on 28th December 2018 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the Members, be and is hereby accorded to borrow any sum or sums of money from time to time at its discretion, up to Rs.2000 Crores where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceeds the aggregate of the paid-up share capital of the Company and its free reserves (that is to say

reserves not set apart for any specific purpose) and Securities Premium, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate as the case may be."

**By the order of Board of Directors
For Maharashtra Natural Gas Limited**

Sd/-
(Shreya Prabhudesai)
Company Secretary

Date: 25th August, 2019
Place: Pune

NOTES:-

1. The explanatory statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the scheduled time of the meeting.

3. As per provisions of section 105 of the Companies Act, a person can act as a proxy on behalf of members not exceeding fifty numbers and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person(s) or shareholder(s).

4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 10th September, 2019 to Tuesday, 16th September, 2019 (both days inclusive) to determine the entitlement of the Final Dividend @ 26.4% (Rs. 2.64/- per equity share), if so, approved by the members of the company at the aforesaid AGM. Final dividend, after declaration at the AGM, will be paid within 30 days of the AGM to those eligible member(s) whose name(s) appear:-

i. As member(s) holding shares in physical mode, in the Register of Members of the Company after giving effect to all valid and complete transfers, lodged with R&TA/ Company on or before 10th September, 2019; or

ii. As Beneficial Owner(s) holding shares in electronic mode, details as furnished by the National Security Depository Limited (NSDL) and Central Securities Depository Limited (CDSL) for the said purpose.

6. Members may correspond with the RTA /Company to claim dividends, which remain unclaimed. In this regard, members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPR). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

7. Physical Copies of the Annual Report are being sent to all the members at their communication address registered with the Company. Copies of Annual Report are also being sent through electronic mode to the members whose email addresses are registered with the Company for communication purposes.

8. All material documents referred to in the notice and explanatory statement thereto are open for inspection by the members on all working days during business hours at the registered office of the Company till the conclusion of the meeting.

Important Communication to Members:

As per the provisions of the Companies Act, 2013 read with the Companies Management and Administration Rules, 2014, Company may give notice etc. through electronic mode i.e. by e-mail as a text or as an attachment to e-mail or as a notification providing electronic link. Your company has hosted the notice on website of the company along with Annual Report at www.mnql.in

Members who have not yet registered their e-mail addresses or who want to change their e-mail addresses are requested to register or modify their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

Sd/-
(Shreya Prabhudesai)
Company Secretary

Date: 25th August, 2019
Place: Pune



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

As per Section 142 of the Companies Act, 2013, the remuneration payable to the Auditor shall be fixed in the General Meeting of the Company or in such manner as may be determined therein. Further, as per Section 177 of Companies Act, 2013, Audit Committee will recommend the appointment and fixation of remuneration of Statutory Auditor to the Board.

In exercise of the powers conferred by Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (CAG) appoints Statutory Auditor of the Company. Accordingly, on receipt of communication from CAG regarding appointment of Statutory Auditor, the Board of Directors decide and fix the remuneration of Statutory Auditor on the recommendation of the Audit Committee. The remuneration will commensurate with the quantum of work required to be undertaken by the Statutory Auditor and amendments in prevailing Laws & Regulations.

The Board of Directors of the Company recommends the resolution set out in Item no.4 for your approval.

ITEM NO.5

The Board, on the recommendation of the Audit Committee, has approved appointment and remuneration of M/s M.R. Pandit, Cost Accountants as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the F.Y. 2018-19.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by

the shareholders of the Company. Accordingly, the members are requested to ratify the remuneration as approved by the Board to the Cost Auditors for the FY 2018-19 for the services rendered by them. None of the Directors, Key Managerial Personnel of the Company or their relatives are considered to be interested in the resolution.

Accordingly, the Board of Directors recommends the resolution set out at Item no. 5 for your approval.

ITEM NO. 6

As per the terms of the Articles of Association of the Company Shri S. Halder was nominated by GAIL (India) Limited [GAIL] as Managing Director w.e.f. 1st May, 2019. Accordingly, the Board of Directors appointed Shri S. Halder as Managing Director on the terms & conditions of appointment including remuneration forwarded by GAIL vide letter no. AIL/CO/TRF/04/2019 dated 25.04.2019 and letter ref. no.22/02/53/502/2019 dated 15.05.2019 on the Board of MNGL in its Board Meeting held on 21st May, 2019.

The Major terms & conditions of his appointment as Managing Director are as under:

1. Shri S. Halder shall have the power of general conduct and management of the business and affairs of the company.

2. Salary:

Shri S. Halder shall draw his salary and benefits as per his service conditions from GAIL and in respect of which all expenses including contributions towards Provident Fund, Pension and Gratuity shall be reimbursed to GAIL by the Company as stated more particularly herein under; as applicable(presently) :

Pay Scale: 1,20,000 – 2,80,000/-

PARTICULARS	(Rs. /P.M.)
Basic Pay per month	2,13,650/-
Variable /DA @ 10% w.e.f 01.04.2019 per month	21,365/-
Perquisite and Allowance (LTC, Holiday Home, CEA, Transfer Allowance for performing official work at residence, house upkeep allowance, Transport Allowance, Fitness allowance etc.) under "Cafeteria approach", limited @ 35% of Basic Pay per month	74,778/-
Secondment Allowance	8,000/-
HRA @ 24% of Basic Pay per month	51,276/-



VARIABLE DA: VDA shown is subject to change every quarter. Annual increment @ 3% of Basic pay. On reaching the maximum of the pay scale, maximum 03 stagnation increments are admissible, one after every two years, provided the performance rating is "Good" or above.

HOUSING: availed HRA at previous place of posting.

COMPANY CAR & TELEPHONE: Necessary provision for transport and telephone may be made by MNGL or vehicle / Conveyance maintenance charges @ Rs. 15,913/- p.m. are to be reimbursed monthly (at the rate notified by GAIL on half yearly basis) along with the wages of the Driver @ Rs. 19,453 /- p.m.

OTHER BENEFITS OUTSIDE "CAFETERIA APPROACH":

Shri S. Halder is entitled to reimbursement of Cost of Spectacles and Medical reimbursement for self and dependent family members, briefcase, newspaper reimbursement, leave encashment etc., as per GAIL rules which will be borne by MNGL. In addition, he is entitled for incentive under performance Related Pay (PRP) as per GAIL rules.

SUPERANNUATION BENEFITS: Superannuation benefits are extended to Shri S. Halder within the ceiling of 30% of Basic Pay & VDA comprising of Provident Fund (PF), Gratuity, Post-retirement Medicle Scheme (ORMS) and Pension.

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 1% (one percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

Shri S. Halder satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Managing Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri S. Halder under Section 190 of the Act.

Shri S. Halder has attended all Board meetings as Managing Directors held after his appointment as Managing Director in financial year 2019-20. His brief resume, the nature of his expertise in specific functional areas, names of companies in which he hold directorship, committee memberships/ chairmanships, his shareholding etc., are separately annexed hereto pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the resolution set out in Item No. 6 for your approval.

Other than Shri S. Halder and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are considered to be interested in the resolution.

ITEM NO.7

The Board, at its meeting held on August 20, 2019, appointed Mr. Amit Garg (DIN:08515246), as an Additional Director of the Company with effect from August 20, 2019, pursuant to Section 161 of the Companies Act, 2013, read with Article 142 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Amit Garg (DIN:08515246), will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Indraprastha Gas Limited (Shareholder of MNGL) proposing the candidature of Mr. Amit Garg for the office of Director.

The Company has received from Mr. Amit Garg (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Only one Board Meeting was held in which appointment of Shri Amit Garg was approved and he has attended that meeting. His brief resume containing his age, qualifications, expertise etc. is annexed herewith pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. No Director, Key Managerial Personnel or their relatives, except Mr. Amit Garg, to whom the resolution relates, is interested or concerned in the resolution.

The Board commends the Ordinary Resolution set out in Item No. 7 for the approval by the Members.

ITEM NO.8

In the 73rd Board Meeting held on 3rd May, 2018 the Board had enhanced the borrowing limits up to Rupees 1,000 Crores and obtained the approval of shareholders in the AGM held on 28th December, 2018.

Further, MNGL was successful in 9th Round Bidding by getting three more GAs i.e. Nashik, Sindhudurg and Ramnagara. As per commitment to PNGRB, MNGL has to achieve minimum work programme and to complete targets which includes setting up of CNG Stations as expected within 8 years. In order to build CNG stations, it is necessary to source the funding through internal accrual and borrowed funds.

In view of the CAPEX (Fund and Non-Fund) for Pune and new GAs and borrowing requirement of funds by the Company, it is proposed that the borrowing limit of the Company may further be enhanced from Rs. 1000 Crores to Rs. 2000 Crores. Therefore, Board in its 78th Meeting held on 21st May, 2019 approved for the same, subject to shareholders approval in ensuing AGM.

Accordingly, it is proposed to obtain the consent of the members. None of the Directors, Key Managerial Personnel and their relatives are, any way concerned or interested in the resolution. The resolution as set out in Item No.8 of this notice is accordingly recommended for approval.



Brief resume of Directors seeking appointment at the 13th Annual General Meeting as per SS-2 on General Meetings

Name	Shri S. Halder, MD, MNGL	Shri Amit Garg, Director, MNGL
Date of Birth	26.01.1966	02.03.1967
Date of Appointment	01.05.2019	20.08.2019
Date of Re-appointment -	-	-
Qualification	BE (Mechanical) & MBA	A post graduate in Electronics & Management
Expertise in specific functional Areas	Shri S. Halder has worked in Marketing in GAIL and has led activities relating to Sourcing/Selling of LNG & RLNG, Re-gasification, Charter hiring of LNG ships, Contract Management & Operations related to Shipping, etc. He has also a rich experience of more than 25 years in Materials Management in GAIL covering the entire ambit of procurement, contracting, inventory, policy formulation etc.	He is a senior leader in Oil & Gas space having a rich and varied Experience of over 32 years across the entire value chain in the industry including sourcing, storage, logistics and sales in BPCL.
Directorship held in other companies	-	Indraprastha Gas Ltd. – Director (Commercial)
Membership/ Chairmanships of Audit and Stakeholders Relationship Committees	-	-
No. of shares held in MNGL	-	-
Remuneration last drawn (incl. sitting fees)	-	Only Sitting Fees for Board & Committee Meetings
Remuneration proposed	As per terms & conditions mentioned in the Resolution	Same as above



PROXY FORM
Maharashtra Natural Gas Limited

Form no. MGT-11

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

CIN: U11102PN2006PLC021839 **Registered Office:** A Block, Plot No.27, Narveer Tanajiwadi,
PMT Bus Depot Commercial Bldg., 1st Floor Shivajinagar, Pune – 411 005

website: www.mnpl.in **Email:** info@mnpl.in

Name of the Member(s):	
Registered Office:	
Email id:	
Folio no./ Client id:	
DP id:	

I/We being the member (s) of shares of the above named company, hereby appoint:

- NameAddress.....
Email ID.....Signature of failing him/her.
- NameAddress.....
Email ID.....Signature of failing him/her.
- NameAddress.....
Email ID.....Signature of failing him/her.

as my/our proxy to attend vote (on a poll) for me/us on my/our behalf at 13th Annual General Meeting to be held on September 16,2019 at 03.00 PM at Amanora The Fern Hotels & Club, 1st Floor, Business Centre, Amanora Park Town, Amanora Magarpatta Road, Hadapsar, Pune - 411028 and at any adjournment thereof in respect of such resolutions indicated below:

Resolution No	Resolutions
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Statutory Auditor and the comments of Comptroller & Auditor General of India thereon.
2	To declare a Dividend on equity shares for the financial year ended March 31, 2019.
3	To appoint Director in place of Shri Sanjay Kumar, who retire by rotation, and being eligible offers himself for Re-appointment
4	Approval of remuneration payable to Statutory Auditor of the Company.
Special Business	
5	Ratification of payment of remuneration to Cost Auditors for the F.Y. 2018-19
6	To approve appointment & remuneration of Shri S. Halder as Managing Director of the Company
7	To approve appointment of Shri Amit Garg as a Nominee Director of the Company
8	To approve for enhancement of borrowing limit

Signed thisday of2019

Signature of the Shareholder

Signature of the proxy holder

-affix Revenue stamp Rs.1/-

Note this form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.



Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Registered Office: A Block, Plot No.27, Narveer Tanajiwadi,
PMT Bus Depot Commercial Bldg.,1st Floor Shivajinagar, Pune – 411 005
Email: info@mngl.in website: www.mngl.in

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL. Joint shareholder may obtain additional attendance slip on request (Folio no. DP id*, Client id *and name of the Shareholder/Joint share holder/PROXY in BLOCK LETTERS to be furnished below:

Shareholder/Proxy holder	DP Id*	Client Id*	Folio	No.of Shares held held

I here by record my presence at the 13th Annual General Meeting to be held on Monday September 16, 2019 at 03.00 PM at Amanora The Fern Hotels & Club, 1st Floor, Business Centre, Amanora Park Town, Amanora Magarpatta Road, Hadapsar, Pune - 411028

SIGNATURE OF THE SHAREHOLDER OR PROXY.....

Notes:

1. Shareholders /proxy holders are requested to bring the Attendance slip when they come to the meeting and hand it over at the gate after completely filling the details and affixing their signature on it.
2. *Available for investors holding the shares in electronic (Demat) form.



DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2019 together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

1. FINANCIAL REVIEW

During the year under review, your Company has achieved turnover of Rs. 909.84 Crores, registering a growth of 37.20% over previous financial year.

Compared to previous year, the Earnings Before Interest, Depreciation and Tax (EBIDTA) of the Company increased from Rs. 221.05 Crores to Rs. 271.44 Crores i.e. by 22.79% and Profit After Tax (PAT) increased from Rs. 105.71 Crores to Rs. 142.65 Crores i.e. by 34.94%.

The Financial results for the year ended March 31, 2019 are summarized below:

Particulars	For the Year	
	2018-19 (Rs. in Crores)	2017-18 (Rs. in Crores)
Sales	909.84	663.49
Other Income	0.65	2.21
Profit before Depreciation, Finance Cost and Tax	271.44	221.05
Finance Cost	21.18	22.79
Depreciation & Amortization of Expenses	35.79	32.99
Profit before Tax	214.47	165.27
Provision for Tax including deferred tax	71.82	59.56
Profit after Tax	142.65	105.71
Profit brought forward from previous years	310.14	214.91
Profit available for appropriation	452.79	320.62
APPROPRIATIONS		
Re-measurement of Post Employee Benefits	-	-
Proposed Final Dividend	26.40	26.40
Corporate Dividend Tax	5.43	5.43
Transferred to General Reserve/carried forward	420.96	288.79

Net worth per share has increased from Rs. 41.01 in FY 2017-18 to Rs. 52.10 in FY 2018-19 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 has recommended a final dividend of Rs. 2.64 per Equity Share (i.e. 26.4% of the paid-up equity share capital of Rs. 100 Crores) for the year which is 22.31% of PAT amounting to Rs. 31.83 Crores including Dividend Distribution Tax of Rs. 5.43 Crores.

The payment of final 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 transfer Rs. 110.83 Crores to the Reserves, thereby enhancing the total reserves to Rs. 420.96 Crores.

4. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans nor granted any guarantees nor made any investments covered under the provisions of section 186 of the Companies Act, 2013.

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

The Paid up Share Capital remained at Rs.100 crores.

6. COMPANY PERFORMANCE

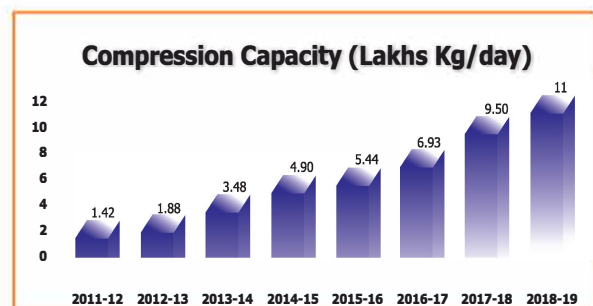
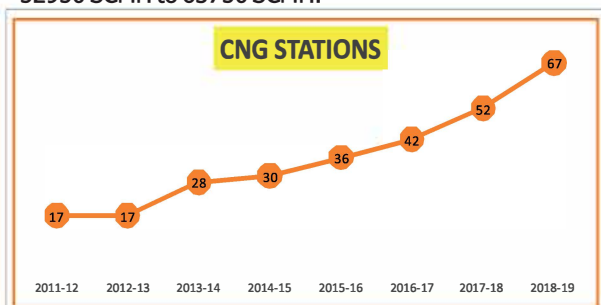
During the year, the Company recorded sales as under:

(Figures in mmscm)

Particulars	For the Financial Year		
	2018-19	2017-18	% Growth (YoY)
Compressed Natural Gas (CNG)	176	148	18.9
Piped Natural Gas (PNG)	91	72	26.4
Total	267	220	21.4
Average Sales per day (mmscmd)	0.732	0.603	21.4

a. Compressed Natural Gas Business (CNG)

During FY 2018-19, the CNG business has grown significantly by increasing the no. of CNG Stations to 67 as against 52 CNG stations registering a growth of 29%. The cumulative compression capacity has recorded an impressive growth of around 20% over last year. i.e. 52950 SCMh to 63750 SCMh.



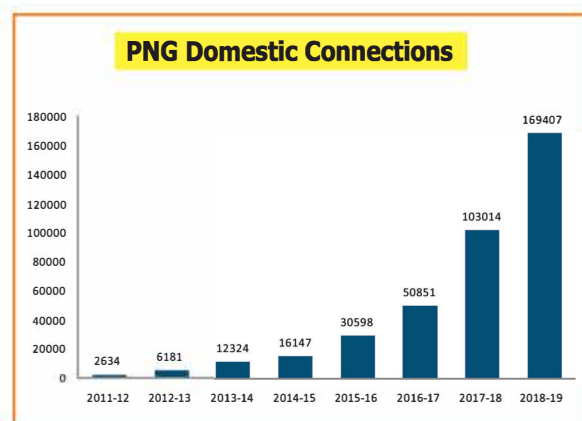
Till the end of financial year under review, 2,22,187 CNG vehicles were plying on road resulting growth of around 20%. This includes 1,229 PMPML buses, 1,69,849 four wheelers, 50,608 three wheelers, 26 vehicles from Municipal Garbage Department, contract carriage minibuses, school buses, delivery vans of the Postal Department etc.

This segment is an area of constant focus considering its huge potential. Your company is in deliberation with various private landowners, OMCs, PMC & PCMC for installation & commissioning of new CNG stations across Pune to facilitate maximum number of CNG customers.

b. Piped Natural Gas (PNG)

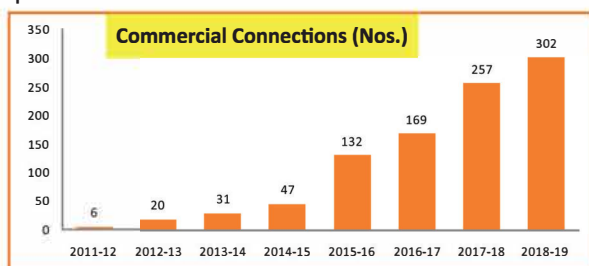
i. Domestic Connections

During the year, your company has achieved a remarkable growth of 64% by increasing the PNG domestic connections by 66,393 i.e. from 1,03,014 of previous year to 1,69,407. This increase in the customer base could be achieved with the help of continuous promotional activities like Jingle campaigns on FM radio, bus stations, TVC in theaters, festive campaigns, multi-media marketing etc.

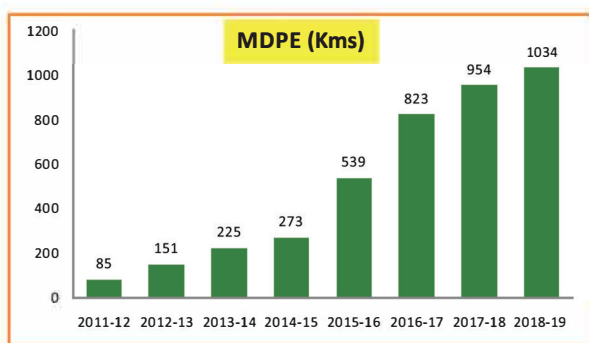
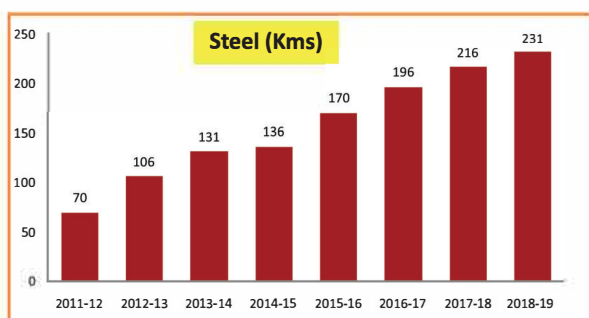


ii. Commercial Connections:

During the year, the Commercial segment has witnessed a growth of 19% from 3.10 MMSCM in the previous year to 3.68 MMSCM. This is achieved by increasing the customer base from 257 in the previous year to 302 covering major food retail outlets in the gasified area there by helping the environment also by reducing pollution.



During the year under review, your company has increased its infrastructure of Steel and MDPE pipeline network from 216 kms to 231 kms and from 954 kms to 1034 kms respectively compared to previous year.



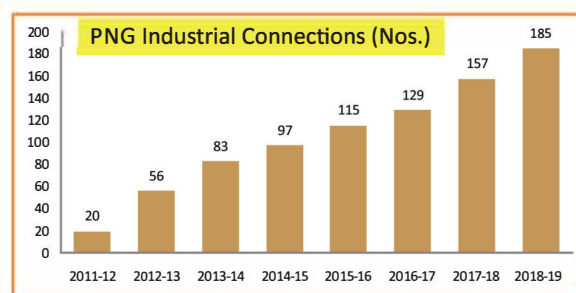
Your Company has a dedicated Customer Care cell and 24x7 Call Centre for resolving customer queries / complaints redressal.

To improve the payment collection process and to achieve complete digitalization of payments, your Company has provided various options such as Online Bill Payment, ECS Facility, installation of POS machines etc.

iii. Industrial Connections:

During the year, your company has connected 27 new industrial customers & 2 Industrial canteens thereby increasing customer base from 157 in the previous year to 184.

Major industries such as Thermax, Bharat Forge, Endurance Technologies, Serum Institute, Ammunition Factory (Khadki) etc. were converted on Natural Gas. The Industrial sales volume has increased by 14% YoY basis from 215347 SCMD of previous year to 246368 SCMD in the current financial year.



Following is the table depicting summary of growth in the Industrial segment:

FINANCIAL YEAR	NEW CUSTOMER ADDED	VALUE (Rs. in Crores)	TOTAL QTY (MMSCM)
Till Mar'15	97	185	20.40
FY 15-16	18	160	42.78
FY 16-17	14	172	51.09
FY 17-18	28	224	64.60
FY 18-19	28	279	73.91
GROWTH		25%	14%

7. FUTURE OUTLOOK

In Indian Natural Gas sector, the share of CGD, which is contributing about 17.53%, is increasing steadily. It is gaining importance and competing against fossil fuel like petrol, diesel, LPG and Furnace Oil for expanding CGD networks in the country.

Continued classification of CGD (CNG and domestic PNG), as one of the priority sectors, is contributing towards large share in gas consumption. This in turn is encouraging CGD operators to aggressively acquire new consumers & drive the volume growth with geographical expansion.

The addition of new geographies would not only increase the consumption of natural gas but would also boost the volume growth and thereby drive profitability for your company.

The Government is taking initiatives to push upon



multiple facets to increase both the production and consumption of gas in the country through the CGD projects. This is giving significant leverage to future natural gas penetration via CGD, LNG terminals & Gas pipelines.

CGD industry is getting a regulatory push which has become key growth enabler. The Supreme Court of India has banned use of Petcoke by industries, new registration of diesel vehicles with engine capacity of 2 liters or more in Delhi and ordered App based (Mobile) Taxies to convert their vehicles into CNG.

Your company has aggressive plans to expand its horizon in the three newly secured GAs of Nashik-Dhule-Valsad (part) Districts, Sindhudurg District in Maharashtra and Ramanagara District in Karnataka. Your company has also achieved the financial closure as well as Natural gas tie-up successfully for new GAs as per PNGRB Authorization Regulation, 2008.

Your Company is in deliberation with various Gas suppliers for procurement of LNG molecules to cater CNG / PNG customers in our newly acquired GAs.

Your company has plans to put an additional infrastructure of over 1000 Kms during next five years. The CNG segment is growing at a rapid pace and there is an opportunity to tap the potential to a greater extent. Accordingly, MNGL has planned to establish around 150 CNG stations in next five years across all GAs in addition to conversion of Daughter Booster stations to Online station thereby increasing overall compression capacity. The Company has aggressive plans to expand its pipeline infrastructure (PNG- Domestic segment) in the areas of Undri, Pisoli, Ambegaon, Kondhwa, NIBM road, Baner, Balewadi, Bibawewadi, Yerwada, Vishrantwadi, Cantonment areas, Hadapsar etc. in PMC and Wakad, Ravet, Thergaon, Hinjewadi etc. in PCMC i.e. in Pune GA and also in the newly secured GAs. MNGL is continually interacting with major builders and developers to provide PNG facility in their upcoming residential projects, which is expected to add approximately 3 Lakh domestic Households in the next 5 years. This will help your company to optimize use of its assets and infrastructure.

The Company has plans to expand its PNG Commercial customer by entering into agreements with Malls and IT Parks.

MNGL continues to add more industrial customers by increasing pipeline network and aggressive marketing strategies. The Company is in process of converting 25 more industries in FY 2019-20 which is expected to increase the daily volume by approx. 50,000 SCMD.

8. REGULATORY DEVELOPMENTS

Regulatory Regime

Petroleum and Natural Gas Regulatory Board (PNGRB) with its framed regulations and several amendments made in 9th and 10th round of CGD bidding, governs the day to day business operations of a CGD entity.

The PNGRB (authorizing entities to lay, build, operate or expand the City Gas Distribution Business) Regulations, Fourth Amended Regulations, 2018 designs and amends the requisite standards and bidding criteria for a CGD entity to conduct the natural gas business in their authorized Geographical Area.

Further, the PNGRB (Levy of Fee & Other Charges) Regulations, 2007 has been amended on 3rd January 2019 and the payment of Other charges has been linked to the population of geographical area as per 2011 census of India along with defined slabs. The earlier provision of payment of other charges was based on 0.01% of annual turnover of the CGD entity during operation period and 0.2% of their capital expenditure of the project during construction period. The above two provisions have been amended and linked to population of the GA. The payment of other charges for the geographical areas authorised to the CGD entities on the basis of the population of Geographical Area has been made effective from 1st April, 2019 and to be paid within two months from the beginning of financial year. MNGL has made the payment towards other charges and complied with the earlier and amended regulation.

9. TOWARDS CUSTOMER DELIGHT

At MNGL, we believe in having a customer friendly approach. MNGL is aiming towards achieving Customer satisfaction by initiating user friendly processes, which will enable the customer to use the services without any hindrance thereby leading to Customer delight.

In order to achieve Customer delight, various steps are being taken towards process alignment, thereby ensuring that customer is updated at each step of the process, as under :

- 1) MNGL is continuously endeavouring to increase the level of customer satisfaction and provide quality value added services.
- 2) Besides expansion plans, MNGL is also focussed on catering to customer needs & is working aggressively towards improvement in its services. In this endeavour, Company has leveraged information technology to develop new and advanced Customer centric applications to provide user friendly experience to our valued customers. MNGL is committed to good Corporate practices and continuously making efforts to bring in more transparency and accountability by strengthening the systems & procedures.
- 3) The existing customer portal has been enhanced with new functionalities and customer app. The Company has provided various options of digital payments for the convenience of customers such as Online Bill Payment, ECS Facility, Cash & Cheque payment facility at leading banks which include Axis, HDFC & ICICI.
- 4) POS machines are being used at various Customer Convenience Centres

- 5) Registration for a new connection online using the app digitally.
- 6) An app has been introduced for updating JMR which in turn leads to quick updation of accurate / correct meter number
- 7) Conscious efforts are being made to create awareness among the customers for opting for digital mode of payment.

The major highlight for the year 2018-19 has been our endeavour towards expanding CGD business of the Company. The Company is in the process of starting its operation in new geographical areas of Nashik, Sindhudurg & Ramnagara and in line with the above, MNGL shall be setting up CRM Centres in these areas in due course of time.

10. INFORMATION TECHNOLOGY

We are pleased to announce that MNGL have successfully implemented the Document Management System (DMS). We have also incorporated the important enhancements in SAP like Multiple Scheme implementation for Domestic as well as commercial customers. This has helped your company to standardize the processes and to operate smoothly in its area of Business.

We have setup new IT infrastructure at MNGL offices at newly awarded GAs of Nasik, Ramangara & sindhudurg. MNGL has entered into the new Hardware AMC & Software subscription renewals of SAP servers & MPLS connectivity for SAP for all the MNGL offices. This has helped your Company to operate smoothly in its area of Business.

11. HUMAN RESOURCES

During the 9th and 10th CGD bidding round covering major parts of India, entry of many public as well as private entities in the CGD business has taken place in the Indian market. This has created a scarcity of experienced manpower in the CGD industry. Hence, your Company is inducting fresh Graduate Engineer Trainees on contract by conducting Campus Placements in order to mould them in various verticals of the business. This has created a fresh ply of experienced manpower for MNGL in the coming years. These Graduate Engineer Trainees are trained for 2 years and based on their knowledge acquisition are then absorbed in the Company as per the requirement. This has also created a number of opportunities for the Trainees as well as for the industry.

Your Company has been continuously working to improve human resources skills, competencies and capabilities in MNGL which is essential to achieve desired results in line with our strategic business ambitions.

During the year the focus of your Company was to ensure that young talent is nurtured and mentored consistently. Reward and recognitions are commensurate with performances and that employees

have the opportunity to develop and grow. Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objective.

The Human Resource (HR) department at MNGL is driven by the mission:

- To build the right culture and capabilities to enable us delight our customers
- To make MNGL the best place to work for passionate innovative people who want to make a difference

Your Company believes in maintaining employees work-life balance and ensures timely interventions that help build a long-lasting and fruitful career. Also, we believe in healthy employee relations and bonding with the family members also. In pursuance with it, MNGL has organized couple of family get-togethers & Picnics, Women's Day celebration, Sports tournament, Annual Day celebration with family members, Team Building



Dussehra Celebration as a part of 'HR Employee Engagement Activities'

Currently, one of the key challenge MNGL is facing is the retention of experienced manpower. The platform available in the market has created numerous opportunities creating a tough competition in retaining / sourcing right candidates. While attrition is a reality in the current scenario, MNGL is focusing on improving HR Policies and matching compensation benefits as per the market standards.



Your Company has a robust mechanism in place to redress complaints reported under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). During the year, no cases have been registered and several initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment.

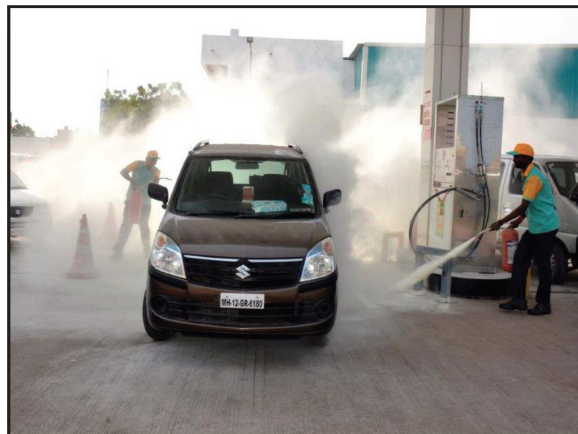
Your Company has maintained healthy, cordial and harmonious industrial relations at all levels. During the year we do not have any IR issues and do not have any recognized or registered Union in MNGL. Your Company will continue its endeavor to build and nurture strong links with trade, contract labours & staff cadre MNGL employees.

12. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company's HSE policy is in place and Safety is one of the core value of the company. Business Processes and manpower /equipment are strengthened to conduct business with a proper Health, Safety and Environment (HSE) Management System to make it incident free workplace. Your company has one of the lowest incident frequency rate per KM of charged gas line amongst city gas distribution network companies. Incident prevention is achieved through continuous safety awareness and training. Thus Safety Training Certification (STC) is imperative part of HSE management at MNGL. It provides undeviating knowledge to work safely in all of its business operations. Every contractual work-men of MNGL get trained on safety precaution in his respective area. Practical exercise and Hazard Identification and Risk Assessment are the key component of the STC training. STC training ensures every working site is incident and injury free site. A special mobile training Van is used to facilitate on the spot training at site and housing society safety awareness. More than 2200 persons were trained in this FY including 439 Industrial employees from various Industrial Customers of MNGL. Employees and staff are also trained in firefighting and first aid for operational readiness.



Industrial Training at M/s S.N. Casting Ltd.



Offsite Mockdrill At Samruddhi CNG Station



Emergency Preparedness & Response Training

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. This year New app (Track EHS) is introduced for near miss reporting from the site.

Internal Safety audit by multi disciplinary team was carried out in accordance with the requirement of PNGRB. T4S compliance audit was carried out by M/s. Moody Intertek. Hazop sessions were carried out along with Quality Risk Assessment for Pipeline and CNG stations. SOP to ensure smooth working are necessary to avoid incident. One new SOP for MCV II was prepared and circulated to all the field staff.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has undertaken following ongoing CSR projects with the help of local NGOs & other Organizations:

- Donated 2 Buses running on environment-friendly fuel (CNG) of 25 seats to Savitribai Phule Pune University (SPPU) for the convenience of the students. The company is in process of donating 1 more Ladies special Bus to the University.



CNG Vehicles donated by MNGL to Savitribai Phule Pune University by the hands of Shri. Chandrakant Patil, Revenue & Public Works Minister, Guardian Minister Pune & Kolhapur District

- Sponsoring the Step-Up Foundation, a registered NGO in Pune, to conduct awareness programs about adolescence related issues in 15 Schools in Pune City through their **'We-Wake & We-Lead'** program. The Foundation is working for last eight years for providing adolescent health education to 8th & 9th Std. students in schools in and around Pune.



"We Wake & We Lead" Program by Step-up Foundation as a part of MNGL CSR activity



- Sponsoring "Ishwarpuram", a registered Society in Pune, to construct new Hostel facility for accommodation for the children from North-east and eastern most region of India. This society is working to provide complete care, education and accommodation facilities to BPL students from North-east and Eastern regions of India.

- Sponsoring "Bharatiya Sanskriti Darshan Trust" (BSDT) to establish the Endoscopy Department and upgrade their Onco-surgery Lab. This Trust was founded in 1954 by late Parampujya Parabhakar Keshav Sardeshmukh Maharaj and it has developed Integrated Cancer Treatment Centre.

By strengthening endoscopy department, it will enable to detect colorectal cancer, esophageal cancer and stomach cancer at early stage & preventing recurrence of these cancers. This project will enable them to provide this facility at affordable charges to patients.

- Sponsored "Sassoon Hospital" in procuring the much needed 2 units of Ventilator Sets. Sassoon Hospital is a Government Hospital which provides free and low cost treatment to patients below poverty line of Pune and surrounding areas.
- Funding for setting up the Computer Lab by providing 10 Computer Desktops and 10 Computer Tables in school located at Talegaon Dhamdhere in Pune. This school is run by Samata Shikshan Prasarak Mandal and provides education to children of farmers and families residing in rural area and lower strata of the society. It provides education from 5th to 12th Std. and presently, they have a strength of 650 students.

The Corporate Social Responsibility Policy developed during 2014-15 is already in place and same is displayed on the website of the Company as required under section 135 of Companies Act, 2013.

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

14. **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"**

15. **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.

16. **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, 2019, the applicable accounting standards have been followed.
- B. Directors 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. Directors 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.
- D. Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2019 on a going concern basis.
- E. Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 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.

17. **DIRECTORS**

Shri I. S. Rao, Non-Executive & Nominee Director of BPCL, has resigned from the company on 25th June, 2018. In place of Shri I.S. Rao, we have received nomination of Shri Rajendra P. Natekar from Bharat Petroleum Corp. Ltd. (BPCL). He has been appointed as Nominee Director on the Board for three consecutive years w.e.f. 3rd July, 2018. Subsequently, on superannuation of Smt. Vandana Chanana, Chairman & Non-Executive & Nominee Director of GAIL on 31st August, 2018, Shri Rajendra P. Natekar, Non-Executive & Nominee Director of BPCL was appointed as Chairman of your company in the Board Meeting held on 17th December, 2018.

Shri E.S. Ranganathan, Non-Executive & Nominee Director of Indraprastha Gas Ltd. (IGL) has resigned from directorship w.e.f. 17th December, 2018 and in his place Shri Rajiv Sikka has been appointed. Subsequently, on 1st July, 2019, Shri Rajiv Sikka also resigned from the Company due to cessation of his directorship in Indraprastha Gas Ltd. (IGL).



Subsequently, company received nomination of Shri Amit Garg from IGL for appointment as Director on the Board of MNGL in place of Shri Rajiv Sikka. The Board appointed Shri Amit Garg as Additional Director on the Board of MNGL w.e.f. 20th August, 2019 and subsequently he will be regularized as Nominee Director in the ensuing Annual General Meeting.

On receipt of nomination from GAIL, Shri Sanjay Kumar was appointed as Additional Director on the Board in the Board Meeting held on 17th December, 2018 in place of Smt. Vandana Chanana, Nominee Director, GAIL.

On receipt of nomination from MIDC, Shri Abhishek Krishna was appointed as Additional Director on the Board in the Board Meeting held on 17th December, 2018. Subsequently in the 12th Adjourned Annual General Meeting held on 28th December, 2018, the above two Directors were regularized as Nominee Directors.

Shri A. M. Tambekar, then Managing Director, resigned from your company on 30th April, 2019 on superannuation from GAIL. Subsequently, on receipt of nomination from GAIL, Shri S. Halder was appointed as Managing Director of your company w.e.f. 1st May, 2019.

The first term of Shri Rajesh Pande and Shri Deepak Mukadam as Independent Directors was ended on 27th March, 2018 and 21st April, 2018 respectively. Thereafter, they were re-appointed as Independent Directors for 2nd term from 28th March, 2018 to 27th March, 2021 for Shri Rajesh Pande and from 22nd April, 2018 to 21st April, 2021 for Shri Deepak Mukadam in the Board Meeting held on 3rd May, 2018 and subsequently in the 12th Adjourned Annual General Meeting held on 28th December, 2018.

The Board takes this opportunity to place its appreciation for valuable contribution made by Shri I. S. Rao, Smt. Vandana Chanana, Shri E. S. Ranganathan, Shri A. M. Tambekar and Shri Rajiv Sikka during their tenure as Directors of the Company.

In terms of Section 152 of the Companies Act, 2013, Shri Sanjay Kumar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

18. DEPOSITS

During the Financial Year 2018-19, your company has not accepted any deposit within the meaning of section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

19. CORPORATE GOVERNANCE

Corporate governance is creation and enhancement of long term sustainable value for the stakeholders through ethically driven business process. It is imperative that Company's affairs are managed in a fair and transparent manner. Therefore, at MNGL we follow the best practices of Corporate Governance. Board of

Directors are at the core of our Corporate Governance and oversees how the Management serves and protects the long term interest of the Stakeholders.

19.1 AUDITORS:

● Statutory Auditors & Audit Report

The Statutory Auditors of your Company is appointed by the Comptroller & Auditor General of India (C&AG). M/s Khire Khandekar & Kirloskar, Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2018-19.

The Statutory Auditors have been paid a remuneration of Rs. 5 Lakhs 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 2018-19 and the Comments of Comptroller & Auditor General of India (C&AG) forms part of the Annual Report.

● Cost Auditors:

The cost audit report for the financial year 2018-19 prepared by the Cost Auditor M/s. M R Pandit & Co., Cost Accountants was taken on record and approved by the Board.

● Secretarial Auditor:

Pursuant to Section 204 of the Companies Act, 2013, your Company had appointed M/s. Bokil Punde & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report forms part of this report as "Annexure C".

The Secretarial Audit Report does contain an observation that:

- (a) The Company has sought approval of Central Government for extending due date of conducting Annual General Meeting for the Financial Year ended on 31st March 2018, on or before 31st December 2018 and accordingly AGM was convened on 28th December, 2018. However, it was adjourned due to non-receipt of CAG report and concluded on 8th February 2019 i.e. after the extended period as approved by the Central Government.
- (b) Subsequent to resignation of earlier Company Secretary on 12th March, 2018, new Company Secretary had joined the Company on 27th August 2018, however, the Board approval for the same was obtained on 17th December, 2018. This appointment through Board approval is beyond 6 months as prescribed under Section 203(4) of the Act.

Explanations by the Board to the above observations in the Secretarial Auditor Report:



- a. The company called its 12th Annual General Meeting on 28th December, 2018 (i.e. within the due date of 31st Dec., 2018) and transacted the business as set out in the Notice except Adoption of Financial Statements and declaration of Dividend for the F.Y. 2017-18, due to non-availability of CAG Report till the date of AGM.

Therefore, the Company had to adjourn the AGM (i.e. on 28th Dec., 2018) and subsequently conducted it on 8th February, 2019 after receipt of final CAG Report on 25th January, 2019 and adopted the Financial Statements & declared the dividend for the F.Y. 2017-18.

- b. The management recruited Company Secretary in the month of August 2018 which was regularized by the Board, in its immediate Board meeting held on 17th December, 2018.

19.2 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".

19.3 RELATED PARTY TRANSACTIONS:

There is 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.

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

The Nomination and Remuneration Committee meets on quarterly basis playing significant role in determining qualification, positive attributes, independence of a Director, remuneration to Directors, Key Managerial Personnel for their appointment. During the year besides assessing the performance of the Executive and non- Independent Directors also played a significant role in framing HR policy, determining performance incentives to the employees, Revision of scales of the employees and promotion of Managerial personnel.

The contents of Nomination & Remuneration Policy of MNGL are displayed on MNGL's website at:

<http://www.mnpl.in/Nomination%20and%20Remuneration.html>

19.5 MANAGERIAL REMUNERATION AND SITTING FEES:

The Managing Director and Director (Commercial) are nominated by GAIL (India) Ltd. and Bharat Petroleum Corporation Ltd. respectively and the terms and conditions of their appointment including remuneration are advised by their parent organizations.

The Independent Directors and Non- Executive Nominee Directors are paid sitting fees of

Rs. 20,000/- per Board Meeting and Rs. 10,000/- per Committee Meeting for attending the meetings. Total sitting fees paid during the financial year under review were Rs. 6,37,200/-.

The Non-Executive Directors except Shri Rajendra P. Natekar, do not hold any shares in the Company. Shri Rajendra P. Natekar holds 100 Equity Shares of Rs. 10/- each.

19.6 RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL ADEQUACY

During the financial year 2018-19, the Company has adhered to the Risk Management System including the Risk Policy & identification of the Risks set during the last financial year and followed the laid down set of standards, processes and structure which enables the Company to implement internal financial control across the organization and ensure the same are adequate and operating effectively.

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.mnpl.in/risk_management_policy.html

19.7 WHISTLE BLOWER POLICY AS A PART OF VIGIL MECHANISM:

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.

It provides a platform to the employees, Directors, vendors and suppliers of the company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The company has engaged an independent third party service provider to manage the operations under the Whistle Blower policy.

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.mnpl.in/whistle_blower_policy.html

19.8 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any Subsidiary(ies), Joint Venture(s) and Associate Company(ies) as on 31st March, 2019.

19.9 DISCLOSURES:

a. Board of Directors

As per the Articles of Association of the Company, one third strength of the Board of Directors is required to retire by rotation at the ensuing Annual General Meeting. Shri Sanjay Kumar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

Sr. No.	Date	Name of the KMP/ Director	Particulars
1.	03.07.2018	Shri R. P. Natekar (DIN 07858989)	Appointed as Nominee Director representing Bharat Petroleum Corporation Ltd., and also got appointed as Chairman on 17 th December, 2018 pursuant to Shareholder`s agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules thereunder and pursuant to Article 117 & 131 of the Articles of Association of the Company.
2.	17.12.2018	Shri Rajiv Sikka (DIN: 06819112) [resigned from Directorship w.e.f. 01.07.2019]	Appointed as Nominee Director representing IGL pursuant to Shareholder`s agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder and pursuant to Article 117 of the Articles of Association of the Company.
3.	06.02.2019	Shri Sanjay Kumar (DIN: 08346704)	Appointed as Nominee Director representing GAIL (India) Ltd. pursuant to Shareholder`s agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder and pursuant to Article 117 of the Articles of Association of the Company.
4.	17.12.2018	Shri Abhishek Krishna (DIN: 07106813)	Nominee Director representing MIDC pursuant to Shareholder`s agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder and pursuant to Article 117 of the Articles of Association of the Company.
5.	17.12.2018	Ms. Shreya Prabhudesai, (ICSI Membership No. ACS 48866)	A qualified Company Secretary is appointed as Key Managerial Personal.
6.	17.01.2018	Shri S. Chandramohan	Appointed as Chief Financial Officer of the Company.

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

Sr. No.	Date	Name of the KMP/ Director	Particulars
1.	31.08.2018	Smt. Vandana Chanana (DIN: 07238012)	She ceased to be Chairman and Nominee Director representing GAIL (India) Ltd., on account of superannuation of the term in GAIL.
2.	25.06.2018	Shri I.S. Rao (DIN: 02350683)	He ceased to be a Nominee Director representing Bharat Petroleum Corporation Ltd. on account of resignation from Directorship.
3.	17.12.2018	Shri E. S. Ranganathan (DIN: 07417640)	He was a Nominee Director representing Indraprastha Gas Limited and ceased to be Director on account of 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 terms 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), two Non-Executive & Independent Directors and five Non Executive Nominee Directors in the year under review. The composition and category of Directors along with other Directorships as on March 31, 2019 are as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent Director	Directorship in other company/ LLP
1	Shri R. P. Natekar (DIN:07858989)	Chairman & Nominee & Non-Executive Director (from.03.07.2018)	1. Indraprastha Gas Limited 2. Bharat Gas Resources Limited 3. Sabarmati Gas Limited 4. Haridwar Natural Gas Pvt. Ltd. 5. Goa Natural Gas Pvt. Ltd.
2	Shri A.M.Tambekar (DIN: 06877323)	Managing Director (till 31.04.2019)	Nil
3	Shri Santosh Sontakke (DIN: 07836490)	Director (Commercial)	Nil
4	Shri Ashim Batra (DIN:07173368)	Non-Executive Nominee Director	Nil
5	Shri Rajiv Sikka (DIN:06819112)	Non-Executive Nominee Director (from 17.12.2018 till 30.06.2019)	Indraprastha Gas Limited
6	Shri Sanjay Kumar (DIN: 08346704)	Non-Executive Nominee Director (from 06.02.2018)	GAIL Global Singapore Pte. Ltd.
7	Shri Abhishek Krishna (DIN: 07106813)	Non-Executive Nominee Director (from 17.12.2018)	1. Bhadrawati Power Ltd. 2. Maharashtra Industrial Gas Transmission Company Ltd. 3. Ascendas IT Park (Pune) Pvt. Ltd. 4. MIDC Infrastructure Projects Ltd. 5. VH Township Pvt. Ltd. 6. Pegasus Properties Pvt. Ltd. 7. International Biotech Park Ltd.
8	Shri Deepak Mukadam (DIN-00716932)	Independent Director	Jaybee Steel Treaters P Ltd.
9	Shri Rajesh Babulal Pande (DIN:02219538)	Independent Director	1. Seva Software P Ltd 2. Kovida Skill Development Corporation 3. Ayushglobal Medicare LLP 4. Vidnyan Paryatan Bharti Foundation

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 meetings 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 Financial Year 2018-19, total 5 Board meetings were held. Details of aforesaid meeting are provided in following table.

Sl. No.	Date of Meeting	Place of Meeting
1	03/05/2018	Hyatt Regency, Weikfield, IT Park, Nagar Road, Pune- 411014.
2	03/07/2018	BPCL, Bharat Bhawan-III, Shanti Building, 4&6 Currimbhoy Road, Ballard Estate, Mumbai- 400001.
3	20/08/2018	Meeting Room No. 5, Hotel Trident, Bandra- Kurla Complex, Bandra (East), Mumbai – 400098.
4	17/12/2018	Meeting Room No. 5, Hotel Trident, Bandra- Kurla Complex, Bandra (East), Mumbai – 400098.
5	22/03/2019	Plot No.27, Narveer Tanajiwadi, PMT Bus Depot, "A" Block, Commercial Building, Shivajinagar Pune- 411005.

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

Sr No.	Name of Directors	Executive/Non-Executive/Independent	No. of Meetings held	No of meeting attended	%
1.	Smt. Vandana Chanana (DIN: 07238012)	Chairman & Nominee & Non-Executive Director (till 31.08.2018)	3*	3	100
2.	Shri I S Rao (DIN: 02350683)	Nominee & Non-Executive Director (till 25.06.2018)	2*	2	100
3.	Shri E. S. Ranganathan (DIN: 07417640)	Non-Executive Nominee Director (till 17.12.2018)	3*	1	33.33
4.	Shri Rajendra P. Natekar* (DIN: 07858989)	Chairman & Nominee & Non-Executive Director (w.e.f. 3.07.2018)	4*	4	100
5.	Shri A.M.Tambekar (DIN: 06877323)	Managing Director (till 30.04.2019)	5	4	80
6.	Shri Santosh Sontakke (DIN: 07836490)	Director Commercial	5	5	100
7.	Shri Ashim Batra (DIN: 07173368)	Non-Executive Nominee Director	5	4	80
8.	Shri Rajiv Sikka (DIN: 06819112)	Non-Executive Nominee Director (w.e.f. 17.12.2018)	2*	2	100
9.	Shri Sanjay Kumar (DIN: 08346704)	Non-Executive Nominee Director (w.e.f. 06.02.2018)	1*	1	100
10.	Shri Abhishek Krishna (DIN: 07106813)	Non-Executive Nominee Director (w.e.f. 17.12.2018)	2*	0	0
11.	Shri Deepak Mukadam (DIN-00716932)	Independent Director	5	5	100
12.	Shri Rajesh Babulal Pande (DIN: 02219538)	Independent Director	5	5	100

* No. of Board Meetings considered which were held during the tenure of the Directors.



d. General Meeting

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

Sl. No.	No. of Meeting	Date of Meeting	Place of Meeting
1	10 th AGM	19.09.2016	Registered Office, Shivaji Nagar, Pune,
2	11 th AGM	18.09.2017	Registered Office, Shivaji Nagar, Pune,
3	12 th AGM (Adjourned)	28.12.2018	Registered Office, Shivaji Nagar, Pune,
	12 th AGM (Concluded)	08.02.2019	Registered Office, Shivaji Nagar, Pune,

Attendance of Directors in the last Annual General Meeting held on 28th December, 2018 & 8th February, 2019 is as under:

Sl.No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at the Meeting	
			28.12.2018 (Adjourned)	08.02.2019 (Concluded)
1.	Shri R. P. Natekar	Chairman & Non-Executive Director	Yes	Yes
2.	Shri A.M.Tambekar	Managing Director	Yes	Yes
3.	Shri Santosh Sontakke	Director (Commercial)	Yes	Yes
4.	Shri Ashim Batra	Non-Executive Nominee Director	Yes	Yes
5.	Shri Rajiv Sikka	Non-Executive Nominee Director	Yes	Yes
6.	Shri Sanjay Kumar	Non-Executive Nominee Director	No	No
7.	Shri Abhishek Krishna	Non-Executive & Nominee Director	No	No
8.	Shri Deepak Mukadam	Independent Director	Yes	Yes
9.	Shri Rajesh Babul Pande	Independent Director	Yes	Yes

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 changes taken place in case of following persons to act as Key Managerial Personnel (KMP) of the Company: -

1. Shri A. M. Tambekar – Managing Director till 30.04.2019
2. Shri S. Halder – Managing Director w.e.f. 01.05.2019
3. Shri Santosh Sontakke – Director (Commercial) Whole-Time Director w.e.f. 12.07.2017
4. Shri S. Chandramohan - Chief Financial Officer w.e.f. 17.01.2019
5. Ms. Shreya Prabhudesai - Company Secretary w.e.f. 17.12.2018

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. Shri Rajesh Babul Pande and Shri Deepak Mukadam confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

19.10 Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee.

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

1. Audit Committee:

The Terms & Reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013. As on 31st March 2019, the Committee comprises Shri Deepak Mukadam, Independent Director as the Chairman; Shri Rajesh pande, Independent Director; and Shri Rajiv Sikka, Non-executive and Nominee Director as Members. Subsequently, on 1st July, 2019 Shri Rajiv Sikka, Non-executive and Nominee Director resigned from the Directorship. Therefore, the Audit Committee was reconstituted in the Board Meeting held on 6th July, 2019 and with the consent of new members, Shri Ashim Batra, Non-executive and Nominee Director and Shri Sanjay Kumar, Non-executive and Nominee Director were become the members of the Audit Committee. The quorum for the meetings of the Committee is two Members. The members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

Whole-time Directors attend the meetings of the Audit Committee. The Statutory Auditors, Secretarial Auditors, Internal Auditors and Cost Auditors are invited to attend and participate at the meetings for relevant Audit Committee Agenda.

Four meetings of the Audit Committee were held during the Financial Year 2018-19 on the following dates:

Sr. No.	Dates of Audit Committee Meeting	Sr. No.	Dates of Audit Committee Meeting
1.	03.05.2018	3.	17.12.2018
2.	03.07.2018	4.	22.03.2019

The no. of Audit Committee Meetings attended by the member of the Audit Committee in the F.Y. ended on 31.03.2019:

Sr. No.	Name	Designation	No. of Meetings attended	%
1	Shri Deepak Mukadam	Chairperson & Member (Independent Director)	4	100%
2	Shri Rajesh Babulal Pande	Member (Independent Director)	4	100%
3	Shri Rajiv Sikka	Member (Nominee Director)	4	100%

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee formulates and reviews policies related to remuneration / perquisites/ incentives within the parameters of section 178 of the Companies Act, 2013.

As on 31st March 2019, the Committee comprises Shri Deepak Mukadam, Independent Director as the Chairman of the Committee; Shri Rajesh Pande, Independent Director; and Shri Rajendra P. Natekar, Non-executive and Nominee Director as the Members.

At the beginning of the year, the formation of the Nomination & remuneration Committee was Shri I. S. Rao, Nominee Director was chairman of the committee and Smt. Vandana Chanana, Nominee Director, Shri Rajesh Pande, Independent Director and Shri Deepak Mukadam, Independent Director were the members. During the year, Shri I. S. Rao and Smt. Vandana Chanana were ceased to be members of the committee and Shri Rajendra P. Natekar, Nominee Director was appointed as the member in their place. Shri Deepak Mukadam was appointed as Chaiman of the Committee The quorum for the meetings of the Committee is two Members. The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

During the year 2018-19, four meetings of the Nomination and Remuneration Committee were held as follows:

Sr. No.	Dates of NRC Committee Meeting	Sr. No.	Dates of NRC Committee Meeting
1.	03.05.2018	3.	17.12.2018
2.	03.07.2018	4.	22.03.2019



The no. of NRC Committee Meetings attended by the member of the NRC Committee in the F.Y. ended on 31.03.2019:

Sr. No.	Name	Designation	No. of Meetings attended	%
1	*Shri I. S. Rao	Chairman & Member (Nominee Director)	1*	100%
2	*Smt. Vandana Chanana	Member (Nominee Director)	2*	100%
3	Shri Deepak Mukadam	Chairman & Member (Independent Director)	4	100%
4	Shri Rajesh Babulal Pande	Member (Independent Director)	4	100%
5	*Shri R. P. Natekar	Member (Nominee Director)	3*	100%

* No. of Committee Meetings considered which were held during the tenure of the Directors.

3. Corporate Social Responsibility Committee

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

As on 31st March 2019, the Committee comprises Shri Deepak Mukadam, Independent Director as Chairman of the Committee, Shri Rajesh Pande, Independent Director and Shri Ashim Batra, Nominee & Non-Executive Director as the members of the committee. The quorum for the meetings of the Committee is two Members. The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

During the year 2018-19, the Corporate Social Responsibility Committee met once on 22nd March, 2018 to discuss on the various proposals.

The attendance of the members of CSR Committee is as follows:

Sr. No.	Name	Designation	No. of Meetings attended	%
1	Shri Deepak Mukadam	Chairperson & Member (Independent Director)	1	100%
2	Shri Rajesh Babulal Pande	Member (Independent Director)	1	100%
3	Shri Ashim Batra	Member (Nominee Director)	1	100%

19.11 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.

19.12 MANAGEMENT DISCUSSION AND ANALYSIS

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

19.13 GENERAL:

1. SIGNIFICANT AND MATERIAL ORDER

There are no significant and material order passed by the Regulators or Courts or Tribunal impacting the going concern status and Company's operation in future.

2. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(l) 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, 2019 and as on the date of this report.



3. DISCLOSURE UNDER THE POLICY OF PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per requirement of The Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your company has constituted Internal Complaints Committee (ICC). During the year under review, no complaints with allegation of sexual harassment was received by the company.

19.14 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Shareholding Pattern of the Company as on 31st March, 2019 is as follows

Sl. No.	Name of Shareholders	No of Equity Shares held @ ₹ 10/- each	% of Shares held
1.	GAIL (India) Limited	22,499,996	22.49
2.	Bharat Petroleum Corporation Limited	22,499,600	22.49
3.	Bharat Petroleum Corp. Ltd. (jointly with individual)	100	0.01
4.	Maharashtra Industrial Development Corporation (MIDC)	50,00,000	05.00
5.	Indraprastha Gas Limited	500,00,000	50.00
6.	Other (individual jointly with GAIL India Limited)	4	-
7.	Others (Individuals)	300	0.01
Total		100,000,000	100%

20. 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.

Your Directors acknowledge wise counsel received from Statutory Auditors and C&AG and are grateful for their support.

Your Directors also record their appreciation to its Promoters, GAIL (India) Limited & Bharat Petroleum Corporation Limited and dominant shareholder Indraprastha Gas Limited for their support.

Your 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.

Your Directors wish to express their gratitude to all the shareholders, contractors and suppliers for their continued trust and support.

Your 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/-
Santosh Sontakke
Director (Commercial)

Sd/-
S. Halder
Managing Director

Place: Mumbai
Date: 20th August, 2019



Annual Day Celebration 2019



Annual Day Celebration 2019





ANNEXURE- "A"
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19
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:-

Maharashtra Natural Gas Limited (MNGL) is conscious of its social responsibility and has been continuously contributing towards social causes. MNGL recognizes that its business activities have direct and indirect impact on the society. Your company believes that 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 the requirements of the Companies Act, 2013.

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

http://www.mnpl.in/csr_policy.html

During the Financial Year 2015-16, 2016-17 & 2017-18, MNGL has made a profit before tax of Rs.117.20 Crores, Rs.113.95 Crores & Rs.165.27 crores respectively. Hence the total amount (i.e. 2% of average profits of the last three years) required to be spent on CSR would be around Rs. 2.64 Crores.

2. The Composition of the CSR Committee as on 31.03.2019: -

- a. Shri Deepak Mukadam (Chairman)
- b. Shri Rajesh Pande (Member)
- c. Shri Ashim Batra (Member)

3. Average profit (PBT) of the company for last three financial years under Sec 198 of Companies Act, 2013:- Rs. 132.14 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):- Rs. 2.64 Crore

5. Details of CSR spent during the financial year:- Rs.59.39 Lakhs

- (a) Total amount to be spent for the financial year:- **Rs. 2.64 Crores**
- (b) Amount unspent, if any- **Rs. 2.05 Crores**

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) State and district	Amount outlay (budget) project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs (1) Direct exp. (2) Overheads (Rs. in Lacs)	Cumulative exp. upto to the reporting period (Rs.in Lacs)	Amount spent : Direct or through implementing agency
1	Vocational training activities	Employment enhancing vocational skills & Empowering women (Schedule VII (ii))	Pune	22.50	22.50	22.50	Amount given to National Yuva Co-operative Society(NYCS)
2	Supply and installation of Electrical work and Plumbing at Nootan Pratham Vidyamandir	Promotion of education including special education (Schedule V (ii))	Kondwa Road, Pune	0.27	0.27	0.27	Amount paid to Indira Electricals for Electrical & Plumbing work at School
3	Installation of Blood Transportation Unit in Scorpio Car donated to Janakalyan Blood Bank	Promoting health Care including Preventive health care [Schedule VII(i)]	Pune	15.21	15.21	15.21	Installation of Blood Transportation Unit in Scorpio Car donated to Janakalyan Blood Bank



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) State and district	Amount outlay (budget) project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs (1) Direct exp. (2) Overheads (Rs. in Lacs)	Cumulative exp. upto to the reporting period (Rs. in Lacs)	Amount spent : Direct or through implementing agency
4	Constructed Iconic Toilet at PMPML Bus Stop, Shivajinagar	Schedule VII(ii) Sanitation	Shivajinagar Pune	20.70	20.70	20.70	Amount given to M/s. Sprout Architects for Construction
5.	Contribution to Rural Sports and women empowerment	Schedule VII(vii) training to promote rural sports, nationally recognized sports, Paralympic sports & Olympic sports& Gender equality and women empowerment	Pune District	0.71	0.71	0.71	Amount given to M/s. Rohit Arts & Events for Nurturing Excellence in sports trust
TOTAL AMOUNT SPENT (Rs.) :				59.39 Lakhs			

6. Explanation for unspent CSR amount: -

Change in Authorized Personnel handling CSR during the year adversely impacted the pace of CSR project implementation and finalization of CSR Budget for F.Y. 2018-19 was also got delayed due to unavoidable circumstances beyond the control of the company. Therefore, the proposals discussed in CSR meeting held on 22nd March, 2019, are to be considered for new Financial Year 2019-20 taking into account the time required for commencement & completion of these proposals.

However, MNGL is revamping the CSR process to complement its commitment towards social responsibility in true spirit.

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

7. 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

On behalf of the Board of Directors For Maharashtra Natural Gas Limited

Sd/-
Santosh Sontakke
Director (Commercial)

Sd/-
S. Halder
Managing Director

Place: Mumbai
Date: 20th August, 2019



ANNEXURE- "B"

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2018-19

A. CONSERVATION OF ENERGY

1. 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. More Energy Efficient Canopy, Street, well glass, Office lights (LED Type) have been procured and installed for Energy saving. (The energy saving of 180 watt/Light achieved by replacing 250 Watt HPMV/Sodium lights to 70 Watt LED, by March'18 total 35 lights at MS and NRO have been replaced). Till date, we have replaced 450 lights.
 - b. Installation of APFC at 8 CNG Stations (MS Chikhali, MS-NTW, MS Hadapsar, MS Kothrud, MS Katraj, NRO Vighnaharta, NRO Gaikwad and NRO Lonkar) have been completed.
 - c. Maintained PF around unity in CNG stations resulting in saving of around Rs. 20.00 Lakhs.
2. Company is taking steps for utilizing alternate sources of energy i.e. Solar Energy. Company has selected the sites and is in the final process for deployment of Vendor. The Capital investment shall be about Rs. 75 lacs for MS Chikali & Hadapsar. There will be saving of about Rs. 33 lacs/annum on energy bills.

B. TECHNOLOGY ABSORPTION:

A. Efforts made towards technology absorption	<ol style="list-style-type: none"> 1. More safe and effective odorant Spotleak 1007 (TBM-80% and MES 20%) is being used since Nov'17 for odorization of Natural Gas 2. Installation of 8 nos. of Automatic Power Factor Controller (APFC) panels in MS and NRO. 3. Trial completed for Automation of Dispensers and Online Compressors at MS Kothrud and NRO Vighnaharta. 4. Installed flowmeter (20 nos) at Inlet of Compressors in Daughter Booster Stations for effective gas reconciliation from Mother Station to Daughter Booster station. 5. Installation of RFID tag for PMPML buses.
B. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	<ol style="list-style-type: none"> 1. Spot leak (T3BM-80% and MES 20%) is easy to handle, having high boiling point (65deg C), resistant to oxidation, less fading and less reactance to internal piping material. 2. Maintained PF around unity in CNG stations resulting in saving of around Rs. 20.00 lacs in 2018-19 3. By using LED lights saving of 180W/ lights is achieved. 4. Proper Gas Reconciliation at DBS (Daughter Booster Stations) 5. Automatic gas data updating of PMPML buses & Checking of validity of hydro testing of Gas cylinders to enhance safety.
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

Other initiatives

- u IMS certification done.
- u Network drawing through GIS of Kothrud (MDPE and Steel) and PCMC Steel has been done and work is in progress.

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	NIL
Foreign Exchange outgo during the year in terms of actual outflows	NIL



ANNEXURE-`C`

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
MAHARASHTRA NATURAL GAS LIMITED
CIN: U11102PN2006PLC021839
Registered Office: Plot No. 27, Narveer Tanaji Wadi,
PMT Bus Depot, Commercial Building, First Floor,
Shivaji Nagar, Pune 411005

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Maharashtra Natural Gas Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and by-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;- **Not applicable**.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not applicable**
 - (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, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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 Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Other applicable laws as informed by and certified by management of the company which are specifically applicable to company based on Sector/industry is/are :-
 - (a) The Bombay Gas Supply Act, 1939,
 - (b) Maharashtra Fire Prevention and Life Safety Measures Act, 2006,
 - (c) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 etc.

In respect of other applicable laws to the Company, we have relied on information obtained, certifications, representation made and records produced physically or over email from the departmental heads, during the course of our audit. We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- (b) Listing Agreement entered into by the Company with Stock exchange(s);-Not 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:

- (a) The company has sought approval of Central Government for extending due date of conducting Annual General Meeting for the Financial Year ended on 31st March 2018, on or before 31st December 2018 accordingly AGM was convened on 28th December, 2018. However, it was adjourned due to non-receipt of CAG report and



concluded on 8th February 2019 i.e. after the extended period as approved by the Central Government.

- (b) Subsequent to resignation of earlier Company Secretary dated 12th March, 2018, new Company Secretary had joined the Company on 27th August 2018 however, the Board approval for the same was obtained on 17th December, 2018. This appointment through board approval is beyond 6 months as prescribed under Section 203(4) of the Act.

We 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 except appointment of woman Director. 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. The Company has partially spent on Corporate Social Responsibility i.e. an amount of Rs.0.60 Crores was spent out of the total amount of Rs.2.64 crores required to be spent as per Section 135 of the Act for the year under report.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period there was no specific event/action which has a major bearing on the affairs of the Company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

**For BOKIL PUNDE & ASSOCIATES
Company Secretaries**

Sd/-

CS Bhavana Rokade

Partner

M. N. 21950 | C.P. No. 20300

This report is to be read with my letter of even date which is annexed as Annexure A and 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. Wherever 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 BOKIL PUNDE & ASSOCIATES
Company Secretaries**

Sd/-

CS Bhavana Rokade

Partner

M. N. 21950 | C.P. No. 20300

Date: 20.08.2019

Place: Pune

**"ANNEXURE D"****Form No. MGT-9****Extract of Annual Return**(As on the financial year ended 31st March, 2019)

[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:

S.No.	Particulars	Facts
(i)	CIN	U11102PN2006PLC021839
(ii)	Registration Date	13 th 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, Shivajinagar, Pune Tel: 020 – 25611000 Fax No: 020 -25511522 email: shreya.prabhudesai@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 Ltd., Plot No. 3, Sector-11, Post Bag No. 22, C.B.D. Belapur, Navi Mumbai-400614 Tel-022 67931300, email: barkha.samtani@utiitsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl.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	100	304	404	0.01	200	204	404	0.01	0.001
(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.	22499996	22499600	44999596	44.99	44999596	0	44999596	44.99	22.49
(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)	22500096	22499904	45000000	45	44999796	204	45000000	45	22.50
(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)	22500096	22499904	45000000	45	44999796	204	45000000	45	22.50

(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s)(MIDC)	Nil	5000000	5000000	5	Nil	5000000	5000000	5	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(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)	Nil	5000000	5000000	5	Nil	5000000	5000000	5	Nil
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	50000000	Nil	50000000	50	50000000	Nil	50000000	50	Nil
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Individuals									
i. Individual shareholders holding nominal share capital up to <input type="checkbox"/> 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Individual shareholders holding nominal share capital in excess of <input type="checkbox"/> 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



(C) Others (Specify)									
Sub-Total (B)(2)	50000000	Nil	50000000	50	50000000	Nil	50000000	50	Nil
Total Public Shareholding (B)=(B)(1)+(B) (2)	50000000	5000000	55000000	55	50000000	50000000	55000000	55	Nil
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	72500096	27499904	100000000	100	94999796	5000204	100000000	100	22.50

(ii) Shareholding of Promoters:

S.No	Shareholders' 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.	2,25,00,000	22.5	0.00	2,25,00,000	22.5	0.00	Nil
2.	Bharat Petroleum Corporation Limited including shares held jointly with its employees.	2,25,00,000	22.5	0.00	2,25,00,000	22.5	0.00	Nil
Total		4,50,00,000	45.00	0.00	4,50,00,000	45.00	0.00	Nil

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

There is no change in Promoter's Shareholding.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2019:

Sl. No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		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	1	0.00	1	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	1	0.00	1	0.00
2.	Shri Vinay Srivastava (Jointly with GAIL)				
	At the beginning of the Year	1	0.00	1	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	1	0.00	1	0.00
3.	Shri A. K. Jha (Jointly with GAIL)				
	At the beginning of the Year	1	0.00	1	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	1	0.00	1	0.00
4.	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
5.	Shri Chinmoy Mandal (Jointly with GAIL)				
	At the beginning of the Year	1	0.00	1	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	1	0.00	1	0.00
6.	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
7.	Indraprastha Gas Limited				
	At the beginning of the Year	5,00,00,000	50	5,00,00,000	50
	Bought during the Year	0	0	0	0
	Sold/Transfer during the Year	0	0	0	0
	At the end of the Year	5,00,00,000	50	5,00,00,000	50
8.	Shri. M. Venugopal (Jointly with BPCL)				
	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
9.	Maharashtra Industrial Dev. Corp. Ltd.				
	At the beginning of the Year	50,00,000	5	50,00,000	5
	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	50,00,000	5	50,00,000	5



(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2019:

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri Rajendra P. Natekar At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	100 0 0 100	0.00 0.00 0.00 0.00	100 0 0 100	0.00 0.00 0.00 0.00
2	Shri A.M. Tambekar At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
3.	Shri Santosh Sontakke At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
4.	Shri Ashim Batra At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
5.	Shri Rajiv Sikka At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
6	Shri Sanjay Kumar At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
7.	Shri Abhishek Krishna At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
8.	Shri. Rajesh Pande At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
9	Shri Deepak Mukadam At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
10	Shri S. Chandramohan At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00
11	Ms. Shreya Prabhudesai At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 0.00 0.00 0.00	0 0 0 0	0.00 0.00 0.00 0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **Rs. 293.67 crores.**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE FINANCIAL YEAR 2018-19
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	(Rs. in Lacs)		Total Amount
		Name	A.M. Tambekar	Santosh Sontakke
	Designation	Managing Director	Director Commercial	
1	Gross salary	81.26	96.39	177.66
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.26	96.39	-
	(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 (A)	81.26	96.39	177.66
	Ceiling as per the Act	Remuneration is within ceiling prescribed under Companies Act, 2013.		

*Paid to respective parent organizations.



B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors	Total Amount (Rs/Lac)
Independent Directors	Rs. 6,37,200/-	No other amount except sitting fees as mentioned above was paid to any other Director During FY 2018-19
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**		

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

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

S.No.	Particulars of Remuneration			Total Amount (Rs/Lacs)
	Name	Shri S. Chandramohan w.e.f. 17/1/2019	Ms. Shreya Prabhudesai w.e.f. 27/8/2018	
	Designation	CFO	CS	
1.	Gross salary	9.43	2.70	12.13
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	
	(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	9.43	2.70	12.13

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 2018-19.

ANNEXURE- "E"

MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL GAS SCENARIO IN INDIA

India's natural gas production grew for the second consecutive year in 2018-2019, primarily due to increase in production from fields operated by government-owned Oil and Natural Gas Corporation (ONGC).

India's cumulative natural gas production grew 0.69 per cent to 32,873 Million Standard Cubic Meter (MMSCM) last fiscal, as compared to 32,649 MMSCM produced in financial year 2017-2018. Gas output had grown 2.35 per cent in 2017-2018, reversing from a six-year declining trend.

Natural gas in India is mainly used to generate Power, Piped Natural Gas (PNG) for Domestic, Industrial & Commercial, Compressed Natural Gas (CNG) for Vehicles, production of Petrochemicals and manufacturing products in the Fertilizer and Steel Industries.

All figures in Billion Cubic Meter (BCM)

Financial Year	Total Gas Production	Change (%)	Offshore Production	Onshore Production
2011-2012	47.55	8.92	38.47	9.00
2012-2013	40.67	14.46	31.80	8.87
2013-2014	35.40	13.00	26.39	9.01
2014-2015	33.65	5.00	24.86	8.79
2015-2016	32.24	4.19	23.01	9.23
2016-2017	31.89	1.08	22.03	9.85
2017-2018	32.64	2.35	22.01	10.63
2018-2019	32.87	0.62	22.11	10.75

The consecutive growth for the second-straight financial year comes at a time the government is targeting a quick ramp up in the share of natural gas in the overall energy basket, arrest a consistent declining trend in its domestic crude oil production, which dropped for the eighth consecutive year in last financial year and reduce its mounting crude oil import bill.

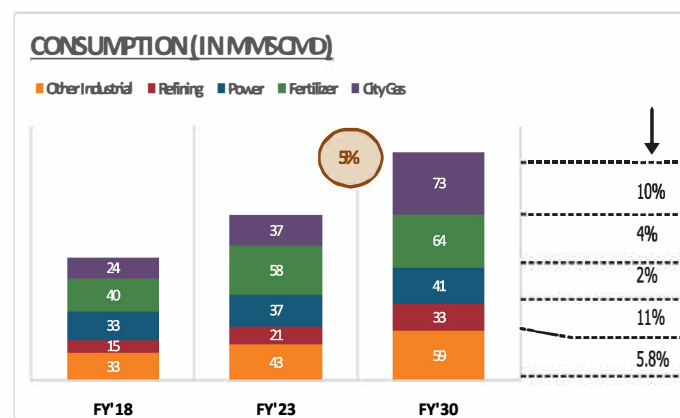
Natural gas production since 2002 indicates that the country recorded its highest ever natural gas production from onshore blocks in 2018-2019. Gas production from onshore blocks including Coal Bed Methane (CBM) grew 1.12 per cent to 10,756 MMSCM last financial year. Offshore production increased marginally to 22,117 MMSCM as compared to 22,011 MMSCM produced in 2017-2018.

Share of Natural gas in total energy consumption

India ranks 4th in Natural Gas reserves & our country's natural gas sector accounts for 6.2% of total natural energy mix, this is bit of a dichotomy. The availability of huge reserves of natural gas in India, its environment friendliness & its easy transportability has caught the attention of energy sector in India over last five years. This odorless, colorless gas is gaining a high importance in CGD, power generation & fertilizer sectors.

India has set a target of 15% share for natural gas in the country's energy mix by 2030. This is an aspirational target, the realization of which depends on many factors.

Along with it, the Government aims to connect 1 crore households with piped gas by 2020. This is in line with increasing the share of natural gas in the primary energy basket from 6% to 15% in a phased manner. Post the successful implementation of the 10th CGD



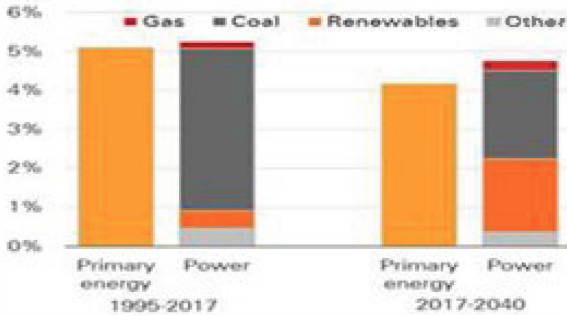
Bidding Round, about 70% of the country shall be under the umbrella of the CGD network that will help to increase the share of gas as CGD is gaining a high attention.

The initiative of government towards CGD will help create a robust infrastructure, generating employment and playing a significant role in achieving the shift towards a gas-based economy, with natural gas as the next-generation, cheaper and environmentally friendly fossil fuel.

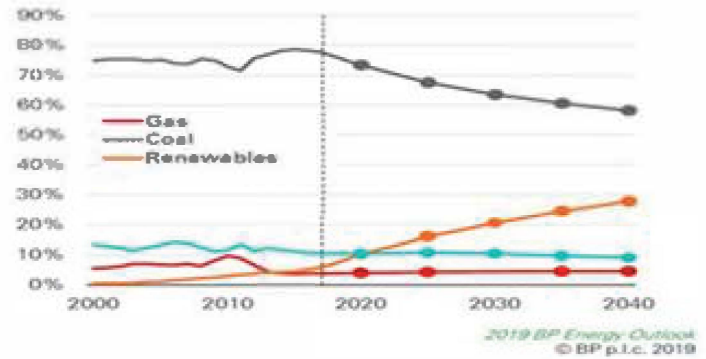
Power & fertilizer sectors are contributing towards 50 % of consumption of gas. Over the years' natural gas consumption in India is of steady increase with 145 MMSCMD with almost equal contribution coming from LNG imports & indigenous domestic production.



Growth in Indian primary energy and contributions to power
% per annum



India fuel shares in power generation



Along with CGD, India is heavily investing in LNG. India had four terminals receiving LNG last year, taking in 21 million to 23 million tonnes of the super-chilled fuel, up nearly 10-13% from 2017. Over the next seven years the government plans to build another 11 terminals. Driven by demand from city gas distribution and transportation, India's LNG demand is expected to grow by 9-11% to about 25-26 million tonnes this year. & that would still put terminal utilization at just over 60% at year-end.

The government aims to run all LNG terminals at full capacity by 2022 as it works to complete the entire pipeline grid. The capacity utilization of Petronet LNG's Dahej terminal has been consistently high, over 100 per cent, but that of Kochi around 10 per cent since inception. Shell's terminal performed reasonably well, but no match to Dahej. Further, Petronet LNG plans to launch around 20 LNG fuel stations on a 4,000 km route running from Delhi to Thiruvananthapuram.

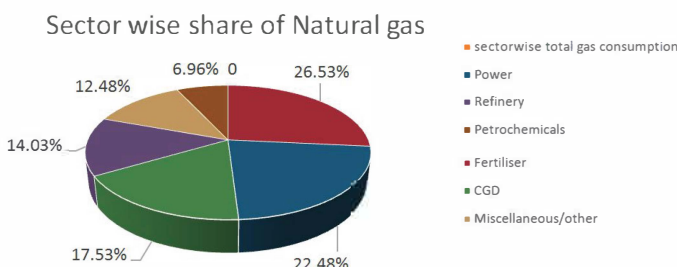
Capacity Utilization of LNG Regasification Terminals in FY 2018-19

Location	Promoters	Capacity as on 1 st April, 2019	Capacity utilization in % 2018-19
Dahej	Petronet LNG Ltd (PLL)	15 MMTPA	106.50%
Hazira	Shell Energy India Pvt. Ltd.	5 MMTPA	79.90%
Dabhol	RGPLL (GAIL – NTPC JV)	1.692 MMTPA*	24.40%
Kochi	Petronet LNG Ltd (PLL)	5 MMTPA	9.30%
Total Capacity		26.7 MMTPA	

Meanwhile, the government is exploring new eco-friendly and cost-efficient fuels to expand CGD network coverage. There are plans to set up 5,000 compressed biogas plants at an investment of about Rs 1.75 trillion in the next four to five years. These compressed biogas networks will be integrated with CGD networks to boost supplies to domestic and retail users. Government is promoting this under Sustainable Alternative Towards Affordable Transportation (SATAT) initiative.

After considering potential demand from all sectors, there could be possible growth by 35% to about 187 MMSCMD by 2020-21, 70% at 242 MMSCMD by 2025 & more than double at 302 MMSCMD by 2030. Government expect domestic supply to increase from current level of 87 MMSCMD to 171 MMSCMD by 2030.

CITY GAS DISTRIBUTION IN INDIA



The gas consumption is dominated by fertilizer & power sector contributing over 50%. CGD share has increased from 16.36% to 17.71%. CGD is likely to grow much faster than other sectors which is making the sector in acceleration stage. The past few years have witnessed tremendous growth in CGD business in India.

As on June 1, 2019, CGD network of India is providing PNG to 51.48 lakhs households along with 8,910 industrial consumers and 28,145 commercial consumers. 33.8 lakhs vehicles are running on CNG with 1769 CNG stations across the nation for the fuel availability.



India has 16,000 Kms of gas trunk pipelines in operation, and 13,000 Kms more approved and in various stages of construction. The PNGRB has awarded licenses to build city gas distribution networks across the country, targeting districts that cover about 70% of India's population.

The government is also aiming to connect more than 10 million households with piped gas by 2020 from the current 4.8 million, with the city gas portion of India's natural gas use expected to more than double to 15% of the overall gas market. India's National Clean Air Programme launched earlier this year is on the theory of boosting natural gas usage in households, transportation and power.

NINTH & TENTH ROUND OF CGD BIDDING:

Key numbers	Before 9 th Round	After 9 th Round	After 10 th Round
No. of GAs	92	178	228
No. of districts states covered	124	280	402
No. of states/Uts covered	23	26	27
Population covered	20%	50%	70%
Geographical area covered	11%	35%	53%

Before the onset of the 9th & 10th Rounds, there were 92 authorized CGD networks in India. Before 10th round of bidding, CGD authorization has been given by PNGRB for 178 GAs covering 280 districts (263 complete & 17 parts) spread over 26 States & Union Territories. These cover approx. 50% of India's population & 35% of its geographical area. However, with the completion of 10th CGD bidding Round, CGD would now be available in 228 GAs comprising 402 districts spread over 27 States & Union Territories covering approx. 70% of India's population & 53% of its geographical area. The commitment made by the successful entities in 10th round is to connect 2,02,92,760 residential units & install 3578 CNG stations over a period of eight years from start of project.

9th & 10th Rounds of bidding are giving some concrete steps for ban of dirty fuels & is encouraging the entities to take a step for establishing LNG corridor. With this, CGD sector is going to emerge out as a potential game changer.

MNGL has secured three new geographical areas namely Nashik-Dhule-Valsad (Part) Districts & Sindhudurg District in Maharashtra & Ramanagara District in Karnataka in 9th Round of Bidding. MNGL is on the urge of achieving the targets allocated by PNGRB to lead better volume growth visibility & to boost up the CGD awareness & reach each door of the house to make Green & Clean environment.

OUTLOOK ON OPPORTUNITIES

Your company has made up good potential of natural gas and is growing year on year. Your company has successfully laid around 79.92 kms pipeline infrastructure during FY: 2018-19 reaching customer of Domestic, Commercial and Industrial Segments and therefore the use of natural gas is bound to grow. Your company has made CNG customers more convenient by 67 CNG stations in

and around Pune by 31st March, 2019.

Along with Pune GA, MNGL is all set to expand in new GAs with efforts to meet minimum work program as per the parameters bided. The deployment of resources has been completed to initiate the various activities in new GAs which shall help achieve the year wise minimum work program of respective GAs and in turn the organizational growth.

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATION

Promotion of electric and hybrid vehicles in India:

Electric cars are at nascent stage in India and Government is promoting the same. In medium to long term, these cars may pose a potential threat to CNG run vehicles. The Company is preparing itself for meeting the challenge by becoming a part of value chain in electric car business.

Competition from Alternate Fuels:

The Company's customers also have an alternative to move towards other fuels if there is a cost advantage. If such a scenario arises then it would impact Company's business.

Fire & Safety Risk:

The Company is in gas distribution business and fire & safety is a major concern. The Company gives utmost priority to this area and has robust system and procedures which helped it to record 5.04 million accident free man hours as on March 31, 2019.

Gas Prices

During the year under review, your company has received cent percent supply of domestic gas for CNG (Transport) and PNG domestic segments. The Government has accorded highest priority to CGD segment which has helped your company maintain the gas selling prices competitive over alternate fuels for both the segments of PNG and CNG.

Your company could also source R-LNG for Industrial and Commercial segments with long term/short term contracts with upstream suppliers including spot R-LNG and could price the gas on cost plus basis making it economical than respective alternate fuels.

ENVIRONMENT CONSCIOUSNESS

Natural gas, fuel of generations, due to its properties, offers benefits in environment friendly operation of energy system. This quality fuel in the form of Piped Natural Gas for Domestic, Commercial, Industrial segment & Compressed Natural Gas for transportation segment is serving for reducing the air pollution which is a major concern in most of the cities. Your company, with its city gas distribution network authorized by PNGRB, is providing safety, reliability, convenience to customers of PNG & CNG.

Opting for natural gas is an initiative to reduce carbon emissions. MNGL has put in substantial efforts to create consciousness amongst the citizens about environment through various awareness campaigns. This has reflected in more number of citizens joining hands with your company to contribute in making environment clean & green.



सत्यमेव जयते

**कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवम् पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई
भारतीय लेखा एवम् लेखा परीक्षा विभाग**

सी-25, 'ऑडिट भवन', 8वाँ तल, बान्द्रा कुर्ला कॉम्प्लेक्स, मुंबई - 400 051
फैक्स : 022-26573814 टेलिफोन : 022-26573813 / 26573942
ई मेल : mabmbai2@cag.gov.in

**Office of the Principal Director of Commercial Audit
& ex-officio Member, Audit Board-II, Mumbai
Indian Audit & Accounts Department**

C-25, 'Audit Bhavan', 8th Floor, Bandra-Kurla Complex, Mumbai - 400 051.
Fax : 022-26573814 Telephone : 022-26573813 / 26573942
e-mail : mabmbai2@cag.gov.in

संख्या: एमएबी II/एम.एन.जी.एल-लेखों/18-19/टी-1692/ 277

दिनांक: 15.07.2019

सेवा में,

प्रबंध-निदेशक
महाराष्ट्र नॅचरल गॅस लिमिटेड,
पुणे.

विषय: कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन महाराष्ट्र नॅचरल गॅस लिमिटेड के 31 मार्च 2019 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ।

महोदय,

मैं महाराष्ट्र नॅचरल गॅस लिमिटेड के 31 मार्च 2019 को समाप्त लेखों पर कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ प्रेषित कर रही हूँ।

वार्षिक आम सभा में लेखों तथा नियंत्रक-महालेखापरीक्षक के टिप्पणीयों को अंगीकरण करने के कार्यवाही के कार्यवृत्त की एक प्रतिलिपि इस कार्यालय को प्रेषित करें। साथ में प्रकाशित वार्षिक रिपोर्ट की 10 प्रतिलिपियाँ भेजें।

कृपया इस पत्र की पावती भेजें।

भवदीया,

तनुजा मिचाल

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

संलग्न: यथोपरि

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 FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2019 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 (5) is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the 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 **21 May 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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 supplementary audit **nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.**

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

Tanuja Mittal

**Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai**

**Place: Mumbai
Date: 15 July 2019**



**KHIRE KHANDEKAR
& KIRLOSKAR**
CHARTERED ACCOUNTANTS

H.O.: A-3, Lara Residency, Mayur Colony, Kothrud, Pune - 411029, Cell.: 9423871912, Email : mandarkhire@gmail.com

Independent Auditors' Report

To,
The Members,
Maharashtra Natural Gas Limited,
Pune

Report on Audit of IND AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Maharashtra Natural Gas Limited (MNGL)** which comprise the Balance Sheet as at 31st March 2019 & the statement of Profit & loss Account, cash flow statement, statement of changes in equity for the Period ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India including Ind AS,

- (i) in the case of Balance Sheet, of the state of affairs of company as at 31st March 2019
- (ii) in the case of statement of Profit and Loss, of the **Profit/Loss** for the period ended on that date.
- (iii) changes in equity for the year ended on that date.
- (iv) Cash flow statement for the year ended on that date.



Branches:

1051, MADHAVNAGAR ROAD, **SANGLI** - 416416
PHONE : (0233) 2375883, Fax : (0233) 2322893
E - Mail : nitin116@hotmail.com

157, SOUTH Shivajinagar, **SANGLI** - 416416
Tel.: (0233) 2376096, Fax : (0233) 2377315
E - mail : cakirloskar@gmail.com

B-1, Yashshri Apartment, Tarabai Park,
KOLHAPUR - 416003 Tel. (0231) 2654789,
E - mail : caganeshkhandekar@gmail.com

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 14(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of Companies Act, 2013 and rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity of the company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 the design, implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.





Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

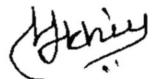
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - a. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - b. the Balance Sheet, Statement of Profit and Loss, cash flow statement and statement of changes in equity dealt with by this report are in agreement with relevant books of accounts maintained for the purpose of preparation of the IND AS financial statements;
 - c. in our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Account) Rules, 2014.
 - d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act



- e. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us,
- The company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - As informed to us, the company has not entered in any derivative contract and as such, this clause of providing foreseeable loss is not applicable to the company.
 - There is no such amount that is required to be transferred, to the investor Education and Protection Fund by the Company;

**For Khire Khandekar & Kirloskar
Chartered Accountants
(FRN 105148W)**



**(M.S. Khire)
Partner**



Membership No.136606.

Place :- Pune

Date :- 21/05/2019

Annexures attached to the audit report

- CARO "Annexure A"
- Report on the Internal Financial Controls (IFC Report) "Annexure B"
- Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Companies Act, 2013- "Annexure C"



**KHIRE KHANDEKAR
& KIRLOSKAR**
CHARTERED ACCOUNTANTS

H.O.: A-3, Lara Residency, Mayur Colony, Kothrud, Pune - 411029, Cell.: 9423871912, Email : mandarkhire@gmail.com

"ANNEXURE A"
Companies Audit Report Order (CARO)

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph "1" of our report of even date.

i. In respect of Property, plant and Equipment:

- a) The company has generally maintained proper records of property, plant and equipment (PPE) showing full particulars including quantitative details on the basis of location, area and type of movable assets except in case of steel pipe stretches and PNG division. During the audit process of last year, the company had initiated comprehensive review of short/ excess capitalization till 31/03/2018. As a result of this review, company is in process of updating such review of CNG, steel stretches and PNG. However, till date this process of updating FAR showing component-wise breakup is incomplete.
- b) Other than PPE related to underground natural gas distribution system which as per management cannot be physically verified, the PPE has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets. For the underground natural gas distribution system, the management has adequate controls in place to safeguard the physical existence of the said distribution system. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, as informed to us, in case of one immovable property situated at Chikhali, it is defending a claim with reference to the title, filed by other party.



Branches:

1051, MADHAVNAGAR ROAD, SANGLI - 416416
PHONE : (0233) 2375883, Fax : (0233) 2322893
E - Mail : nitin116@hotmail.com

157, SOUTH Shivajinagar, SANGLI - 416416
Tel.: (0233) 2376096, Fax : (0233) 2377315
E - mail : cakirloskar@gmail.com

B-1, Yashshri Apartment, Tarabai Park,
KOLHAPUR - 416003 Tel. (0231) 2654789,
E - mail : caganeshkhandekar@gmail.com



- ii. In respect of Inventories:
- a) The inventories of the Company comprise of natural gas. In our opinion and according to the information and explanation given to us, having regard to the nature of the inventory of natural gas, the procedures followed by the management for estimation of natural gas quantities which is based on volume of pipelines and the volume of cascades containing the natural gas considering the standard temperature and pressures, are reasonable and no material discrepancies were noticed on such computation. Further, in our opinion, the management has conducted physical verification of inventory of stores and spare parts at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification
- iii.
- a) As per information and explanation given to us and audit procedure carried out by us, the company has not granted any loans, secured or unsecured to companies, firms or other parties to be covered in the register to be maintained under section 189 of the companies Act, 2013. Accordingly, provisions of clause (iii)(a), (b). (c) of the order are not applicable to the company.
- iv.
- a) As per information and explanation given to us and audit procedure carried out by us, the company has not given any loans, made any investments, issued any guarantees and security covered by provisions of section 185 & 186 of the Companies Act 2013.
- v. The company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 73 to 76 of the Companies Act, 2013 and or any other relevant provisions of the Companies Act and the rules framed there under.
- 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 sub-section (1) of Section 148 of the Act in respect of Company's product and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete



vii.

- a) According to the information and explanation given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues wherever applicable. There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess, GST and other material statutory dues applicable to it with the appropriate authorities
- b) In our opinion and on the basis of the information and explanation given to us, the dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows

Sr no	Name of Statute	Name of Dues	Amount (Rs in lacs).	Amount paid under Protest (Rs in lacs)	Period for which the amount relates	Forum where the dispute is pending
1	Sales Tax	Sales tax dues	35.47(net of refund of Rs.8 lacs)	0.25	FY 2009-10	Jt Commissioner of Sales Tax (appeal) Pune
2	Service Tax	Service Tax Dues	Service tax 2657.10 lacs and Penalty of Rs. 2657.10 lacs	199.28	FY 2012-13 to FY 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

viii.

Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution and bank.

ix.

The company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The bank term loans were applied for the purposes for which those were raised





- x. Based upon the audit procedures performed and information and explanations given by the management, we have neither come across any instance of fraud by the company or any fraud on the company by its officers or employees during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company not has paid/provided for managerial remuneration and hence, the provisions of section 197 read with Schedule V to the Act in are not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable IND AS.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Khire Khandekar & Kirloskar
Chartered Accountants

(FRN 105148W)


(M.S.Khire)
Partner



Membership No.136606

Place :- Pune

Date :- 21/05/2019



**KHIRE KHANDEKAR
& KIRLOSKAR
CHARTERED ACCOUNTANTS**

H.O.: A-3, Lara Residency, Mayur Colony, Kothrud, Pune - 411029, Cell.: 9423871912, Email : mandarkhire@gmail.com

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAHARASHTRA NATURAL GAS LIMITED (MNGL)** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.



1051, MADHAVNAGAR ROAD, SANGLI - 416416
PHONE : (0233) 2375883, Fax : (0233) 2322893
E - Mail : nitin116@hotmail.com

157, SOUTH Shivajinagar, SANGLI - 416416
Tel.: (0233) 2376096, 020693877315
E - mail : cakirloskar@gmail.com

B-1, Yashshri Apartment, Tarabai Park,
KOLHAPUR - 416003 Tel. (0231) 2654789,
E - mail : caganeshkhandekar@gmail.com



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khire Khandekar & Kirloskar

Chartered Accountants

(FRN 105148W)

(M. S. Khire)
Partner

Membership No.136606.



Place: - Pune

Date: - 21/05/2019



KHIRE KHANDEKAR & KIRLOSKAR

CHARTERED ACCOUNTANTS

H.O.: A-3, Lara Residency, Mayur Colony, Kothrud, Pune - 411029, Cell.: 9423871912, Email : mandarkhire@gmail.com

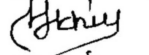
ANNEXURE-C TO THE AUDITORS REPORT

We have audited the financial statements of MAHARASHTRA NATURAL GAS LIMITED ("the Company") as of 31st March 2019 and in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date and

According to Section 143(5) of the Companies Act 2013, and in line with the directions received from the Comptroller and Auditor General of India, we hereby report that:

Sr.No	Direction	Auditors' Reply
1.	Whether the Branch has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	As informed by the management and based on the records examined, The title deeds of immovable properties are held in the name of the Company. However, as informed to us, in case of one immovable property at Chikhali, it is defending a claim with reference to the title, filed by other party.
2.	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons therefore and the amount involved.	As informed by the management and based on the records examined, we have not observed any case of waiver/ write off of debts/ loans/ interest etc. from banks or financial institution during the year under audit.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Government or other authorities?	As per information given to us and based on records examined, there is no major Inventory (in form of gas) lying with third parties. Further, as per information, explanations and written representations given to us by the management, the Company has not received any assets as gift/grants from the Government or other authorities.

For Khire Khandekar & Kirloskar
Chartered Accountants
(FRN 105148W)


(M. S. Khire)

Partner

Membership No.136606.

Place: - Pune, Date: - 21/05/2019



Branches:

1051, MADHAVNAGAR ROAD, SANGLI - 416416
PHONE : (0233) 2375883, Fax : (0233) 2322893
E - Mail : nitin116@hotmail.com

157, SOUTH Shivajinagar, SANGLI - 416416
Tel.: (0233) 2376096, Fax : (0233) 2377315
E - mail : cakirloskar@gmail.com

B-1, Yashshri Apartment, Tarabai Park,
KOLHAPUR - 416003 Tel. (0231) 2654789,
E - mail : caganeshkhandekar@gmail.com



Maharashtra Natural Gas Limited
CIN: U11102PN2006PLC021839
Balance Sheet as at March 31, 2019

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31,2019	March 31,2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	67,815.61	61,864.94
Capital work-in-progress	3	22,126.08	15,303.51
Other Intangible assets	4	43.04	79.52
Financial Asset			
(i) Other financial asset	5	898.67	459.02
Other non-current assets	6	28.61	52.51
Total non-current assets		90,912.01	77,759.50
Current assets			
Inventories	7	29.42	60.86
Financial Assets			
(i) Trade and other receivables	8	7,794.15	4,761.17
(ii) Cash and cash equivalents	9	3,891.52	2,531.07
(iii) Other financial assets	5	956.64	498.80
Other current assets	10	4,956.55	3,408.69
Total Current Assets		17,628.28	11,260.59
Total - Assets		108,540.29	89,020.09
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11(a)	10,000.00	10,000.00
Other Equity			
(i) Reserves and Surplus	11(b)	42,096.74	31,014.05
Total Equity		52,096.74	41,014.05
Non-current liabilities			
Financial Liabilities			
(i) Long-term borrowings	12	21,984.00	19,367.00
Long-term provisions	14	149.43	139.61
Liabilities for Tax (Net)	18	-	-
Deferred tax liabilities (Net)	16	5,788.77	4,662.63
Other non-current liabilities		-	-
Total non-current liabilities		27,922.20	24,169.24
Current liabilities			
Financial Liabilities			
(i) Trade payables	17	3,826.93	1,945.98
(ii) Other current financial liabilities	13	17,781.67	17,043.75
Short-term provisions	14	30.19	33.90
Liabilities for Current Tax (Net)	18	6,336.23	4,480.50
Other current liabilities	19	546.33	332.67
Total Current Liabilities		28,521.35	23,836.79
Total - Liabilities		56,443.55	48,006.04
Total equity and liabilities		108,540.29	89,020.09

Significant accounting policies 1
Critical estimates and judgements 2
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached
For M/s Khire, Khandekar & Kirloskar
Chartered Accountants
Firm Registration Number: 105148W

For and on behalf of the Board of Directors of
Maharashtra Natural Gas Limited

Sd/-
Mandar Khire
Partner
Membership No : 136606
Mumbai, 21st May, 2019

Sd/-
S.Halder
Managing Director
DIN: 08452845

Sd/-
S. Sontakke
Director (Commercial)
DIN: 07836490

Sd/-
S. Chandramohan
Chief Financial Officer

Sd/-
S. Prabhudesai
Company Secretary
A48866



Maharashtra Natural Gas Limited
CIN: U11102PN2006PLC021839
Statement of Profit and Loss for the year ended March 31, 2019

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31, 2019	March 31, 2018
Revenue from Operations	20	90,983.83	66,316.81
Other Income	21(a)	65.34	220.98
Other Gains/losses (net)	21(b)	-	0.16
Total Income		91,049.17	66,537.94
Expenses			
Purchases of Natural Gas	22(a)	46,802.47	32,084.32
Changes in inventories of finished goods	22(b)	31.44	(32.15)
Excise Duty		7,275.88	5,272.48
Employee benefit expense	23	1,461.51	1,448.38
Depreciation and amortisation expense	24	3,578.53	3,299.30
Finance Costs	25	2,118.17	2,278.62
Other expenses	26	8,333.96	5,659.60
Total Expenses		69,601.96	50,010.56
Profit before exceptional items and tax		21,447.21	16,527.39
Exceptional Items			-
Profit before tax		21,447.21	16,527.39
Income tax Expense			
-Current Tax		6,055.73	4,476.62
-Deferred tax		1,126.13	1,479.11
Total Tax Expense		7,181.86	5,955.73
Profit from continuing operations		14,265.35	10,571.65
Profit for the year		14,265.35	10,571.65
Other Comprehensive income			
Items that will not be reclassified to profit or loss Remeasurements of post employment benefit obligations	15	-	(11.20)
Income tax relating to these items	-	-	3.88
Other Comprehensive income for the year, net of tax		-	(7.32)
Total Comprehensive income for the year		14,265.35	10,578.98
Earnings per equity share			
Basic and diluted earnings per share (in Rs.)	36	14.27	10.57

As per our report of even date attached
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached
For M/s Khire, Khandekar & Kirloskar
Chartered Accountants
Firm Registration Number: 105148W

For and on behalf of the Board of Directors of
Maharashtra Natural Gas Limited

Sd/-
Mandar Khire
Partner
Membership No : 136606
Mumbai, 21st May, 2019

Sd/-
S.Halder
Managing Director
DIN: 08452845

Sd/-
S. Sontakke
Director (Commercial)
DIN: 07836490

Sd/-
S. Chandramohan
Chief Financial Officer

Sd/-
S. Prabhudesai
Company Secretary
A48866



Maharashtra Natural Gas Limited
CIN: U11102PN2006PLC021839

Statement of Cash Flows for the year ended March 31, 2019

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2019		Year Ended March 31, 2018	
Cash Flow from Operating Activities					
Profit before income tax			21,447.21		16,527.39
Adjustments for:					
Depreciation and amortisation	3	3,578.53		3,299.30	
Gains on disposal of property, plant and equipment	21(b)	-		(0.16)	
Finance Costs	26	2,118.17		2,278.62	
Excess provision written back					
Interest income classified as investing cash flow	Note 21	(62.46)		(39.68)	
Provision for Doubtful Debts written back		2.36	5,636.60	-	5,538.09
Operating Profit Before Working Capital Changes			27,083.81		22,065.48
Change in operating assets and liabilities					
(Increase)/Decrease in inventories		31.44		(32.15)	
(Increase)/Decrease in trade and other receivables		(3,035.33)		2,322.41	
Increase/(Decrease) in Trade and other Payables		1,880.95		(354.45)	
Increase/(Decrease) in Provisions		6.11		(12.46)	
Increase/(Decrease) in other liabilities		213.66		(182.22)	
Increase/(Decrease) in other current financial liabilities		2,209.03		1,856.42	
(Increase)/Decrease in other non-current assets		-		-	
(Increase)/Decrease in other current assets		(4,726.39)		306.93	
(Increase)/Decrease in financial assets		(482.66)	(3,903.20)	254.39	4,158.88
Cash Generated from Operations			23,180.61		26,224.36
Income Taxes paid	18		(1,021.46)		(2,974.99)
Net cash inflow from operating activities			22,159.14		23,249.37
Cash flow from investing activities					
Payments for property, plant and equipment		(16,428.71)		(17,150.98)	
Payments for intangible assets		(23.04)		(41.81)	
Interest received		30.34		38.38	
Proceeds from sale of investments					
(Earmarked and other fixed deposits)		(327.34)		157.95	
Proceeds from sale of investments (Security deposits)		(55.37)		(92.73)	
Net cash outflow from investing activities			(16,804.12)		(17,089.20)
Cash flow from financing activities					
Proceeds from Long Term Borrowings (Net)	12	1,306.26		(1,428.05)	
Interest paid		(2,118.17)		(2,502.18)	
Dividend paid to company's shareholders and Tax Thereon	30	(3,182.66)		(1,055.54)	
Net cash inflow from financing activities			(3,994.57)		(4,985.76)
Net increase/(decrease) in cash & cash Equivalents			1,360.45		1,174.41
Cash & Cash Equivalents as at beginning of the financial year			2,531.07		1,356.66
Cash & Cash Equivalents as at end of the Year			3,891.52		2,531.07
Reconciliation of cash and cash equivalents as per the cash flow statement					
Cash and cash equivalents as per above comprise the following					
Cash, Cheques & Stamps on Hand			37.39		54.00
Cash balance with Banks - in current Accounts			3,854.13		2,477.07
Balance as per statement of cash flows			3,891.52		2,531.07

The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Cash Flow Statement. Brackets indicate cash outflow / deduction.

As per our report of even date attached
For M/s Khire, Khandekar & Kirloskar
Chartered Accountants
Firm Registration Number: 105148W

For and on behalf of the Board of Directors of
Maharashtra Natural Gas Limited

Sd/-
Mandar Khire
Partner
Membership No : 136606
Mumbai, 21st May, 2019

Sd/-
S. Halder
Managing Director
DIN: 08452845

Sd/-
S. Sontakke
Director (Commercial)
DIN: 07836490

Sd/-
S. Chandramohan
Chief Financial Officer

Sd/-
S. Prabhudesai
Company Secretary
A48866



Maharashtra Natural Gas Limited
CIN: U11102PN2006PLC021839
Statement of changes in equity for the year ended March 31, 2019

(A) Equity share capital

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note	Amount
As at April 01,2017		10,000.00
Changes in equity share capital	11(a)	-
As at March 31,2018		10,000.00
Changes in equity share capital	11(a)	-
As at March 31,2019		10,000.00

(B) Other Equity

Particulars	Note	Reserves & Surplus	
		Retained Earnings	Total
As at April 1, 2017	11(b)	21,490.61	21,490.61
Profit for the year		10,571.65	10,571.65
Other Comprehensive Income		7.32	7.32
Total comprehensive income for the year		32,069.59	32,069.59
Transaction with owners in their capacity as owners:			
Dividends Paid		(1,055.54)	(1,055.54)
As at March 31, 2018		31,014.05	31,014.05

Particulars	Note	Reserves & Surplus	
		Retained Earnings	Total
As at April 1, 2018	11(b)	31,014.05	31,014.05
Profit for the year		14,265.35	14,265.35
Other Comprehensive Income		-	-
Total comprehensive income for the year		45,279.40	45,279.40
Transaction with owners in their capacity as owners:			
Dividends Paid		(3,182.66)	(3,182.66)
As at March 31, 2019		42,096.74	42,096.74



Maharashtra Natural Gas Limited Notes to the financial statements

Company 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 PNG Regulatory Board (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).
- Gas procurement is done from GAIL India Limited and Bharat Petroleum Corporation Limited (BPCL) through Gas Sale Agreement.
- The financial statements are approved for issue by the Company's Board of Directors on May 21, 2019."

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Standards issued but not yet effective Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. Amendment to Ind AS 12 - 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 - Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Ind AS 116 - 'Leases': On March 30, 2019, the Ministry

of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 - Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 - 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 - Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] by the Ministry of Corporate Affairs and other relevant provisions of the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(ii) Historical Cost Convention

The financial statements have been prepared on the accrual and going concern basis, and historical cost convention except where the Ind AS requires an alternative treatment. The principal variations from the historical cost convention relate to financial instruments which are measured at fair value and retirement benefit obligations.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors

of the Company assesses the financial performance and makes strategic decisions. Refer note 31 for the segment information presented.

(c) Foreign currency transactions and translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

i. Initial Recognition Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction. ii. Measurement at the Balance Sheet Date Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. iii. Treatment of Exchange Difference Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively). iv. Accounting of Forward Contracts Premium on forward contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

(d) Revenue Recognition

(i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods & service tax and amounts collected on behalf of third parties. (ii) The company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. (iii) 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. (iv) 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. (v) 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. (vi) Recoveries of connection charges from customer (Industrial and commercial segment) with regards to laying of pipeline, is recognised as revenue

on the date of capitalisation of respective asset.

(e) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(f) Leases

As a lessee, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(g) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If



any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets. For assets previously revalued with the revaluation taken to Other Comprehensive Income (the 'OCI'), the impairment is recognised in OCI up to the amount of any previous revaluation.

(h) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, cash at bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(j) Inventories

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition. i) Finished stocks are valued at cost of manufacturing/purchase or net realisable value whichever is lower. Cost is calculated on a weighted average basis. ii) Raw materials are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower. iii) Cushion gas is the volume of gas that is required in an underground storage field/ pipeline network to maintain minimum field pressure this cushion gas(or base gas) is not available for withdrawal unless replaced with immiscible injectant to maintain field pressure. Considering this nature it inherent part of the Plant Property and Equipment, (pipeline capitalized) The cushion gas is depreciated to its residual value over the life of the storage facility / Pipeline in accordance with of Ind AS 16. For the financial year 2017-18, management has concluded that the value of cushion gas is not material and has not been capitalized to PPE .

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognized initially at fair value

plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories:

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on A debt investment that is subsequently measured at amortized cost and is not part of hedging relationship recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial Assets is included in finance income using the effective interest rate method.

- Fair Value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the Criteria for Amortized cost or FVTOCI are measured at Fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at Fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial Assets is included in other income.

Impairment of financial assets

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how company determines whether there has been significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognized only when:- The company transferred the rights to receive cash flows from the financial asset or- Retains contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the \company evaluates whether it has transferred substantially all risks and rewards of

ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income recognition

Interest income from debt instruments is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Financial Liability

All financial liabilities are initially recognized at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortized cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of profit and loss.

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to

be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities.

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(I) Property, Plant and equipment

(i) 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 are adjusted in arriving at the cost of the assets and costs recovered from the customers towards the cost of assets are recognised as revenue on date of capitalisation of respective assets.

(ii) In line with practice followed by other City Gas Distribution companies, considering the complexity and voluminous data in respect of Domestic connections, details in the fixed asset register are captured to the extent of pipe size, area /route, restoration charges, laying charges and other major costs to bring the asset into commissioning stage.

(iii) Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to company.

(iv) 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.

(v) 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.

(vi) Spares which meet the definition of Property, Plant & Equipment are capitalized with the cost of plant and machinery and are fully depreciated when issued for consumption. When a major overhauling is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinguished from physical parts) is derecognized.



Depreciation Method, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed under schedule II of the Companies Act, 2013 or as determined by management based on internal technical evaluation, which is as follows:.

Asset	Life in years
Mother Compressors, Online Compressors and Booster Compressors	10 years
Computers and Mobile Phones	3 years
Signages	10 years
Furniture & Fittings	10 years
Office Equipments	5 years
Fire Fighting Equipments	15 years
Pipeline	25 years
Plant & Machinery – other than Compressors and pipeline	20 years
Vehicles	8 years
Building	60 years

Depreciation on additions/deletions (excluding PNG) is charged on pro-rata basis and in case of PNG Depreciation on additions / deletions is charged on 180 days irrespective of date of addition or deletion. Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Net Residual Value is considered as Rs. NIL. (Previous Year 2017-18 Rs. NIL)

(m) Intangible assets

Computer Software

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization. The company amortizes intangible asset with a finite useful life using the straight-line method over the period of three years.

(n) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the

contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been distinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(o) Borrowing Costs

General and specific borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily takes substantial period of time to get ready for its intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the period in which they are incurred.

(p) Provisions and Contingent liabilities

"Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost."

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by the actuaries using the projected

unit credit method. The benefits are discounted using the marked yields at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) Defined benefit plan viz. gratuity; and (b) Defined contribution plan viz. provident fund

(q) Gratuity Obligations

In case of Gratuity provisioning, MNGL has availed Group Gratuity Plan and Annual Contributions are paid to LIC on renewal date. Provision has been made as per LIC's Actuarial Report instead of as per Actuaries Valuation from FY 18-19. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Prepaid contributions are recognised as an asset for termination benefits.

Defined Contribution plan

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company have no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(r) Dividends

Dividend distribution to the company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, on or before the end of the reporting period but not distributed at the end of the reporting period.

(s) Earnings per share

(i) Basic earnings per share Basic earnings per share is calculated by dividing: (a) The profit attributable to equity shareholders (b) By the weighted average number

of equity shares outstanding during the financial year (note 36)(ii) Diluted earnings per share Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: (a) The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and (b) The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(u) Previous year figures

Previous year figures have been regrouped wherever necessary.

(v) Security Deposit from Domestic customers:

In case of Domestic Customers, Security Deposit for non-scheme customers is considered as receivable on accrual basis. In case of any disconnections, provision is made for the net outstanding amount after adjusting Security Deposit.

(w) Capitalization of Salary pertaining to Project Staff:

The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property, plant and equipment on completion of project. Salary pertaining to Project Staff Rs.188.96 Lakhs (previous year Rs.NIL Lacs) attributable to PPE has been capitalized on proportionate basis. (Refer Note No.3)

(x) Cash Flows

Cash Flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

Note 2: Critical Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The management continually evaluates these estimates and assumptions based on the most recently available information.



Estimates and assumptions

In particular, information about significant areas of estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

1. Financial instruments;
2. Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
3. Valuation of inventories;
4. Measurement of recoverable amounts of cash-generating units;
5. Measurement of Defined Benefit Obligations and actuarial assumptions;
6. Provisions;
7. Evaluation of recoverability of deferred tax assets; and
8. Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Segment Reporting

Ind-AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment. The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources. The Management has determined that the Company operates in a single segment of city gas selling and distribution in Pune and adjoining areas and as whole business activity exhibit similar economic characteristics and meet other aggregation criteria and accordingly there are no separate reportable segments identified.

Note 3: Property, Plant and Equipment

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Freehold Land	Buildings	Plant and Machinery - I *	Plant and Machinery - II #	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress
Year ended 31 March 2018										
Gross carrying amount										
Opening gross carrying amount	264.60	81.38	51,834.14	3,341.81	73.15	67.15	98.89	5.25	55,766.37	12,345.08
Additions (Including Borrowing Cost)	1,094.80	-	11,289.81	2,458.90	66.18	21.24	45.46	-	14,976.38	21,149.51
Disposals	-	-	-	-	-	-	-	1.19	1.19	-
Transfers	-	-	-	-	-	-	-	-	-	(18,191.09)
Gross carrying amount as on March 31, 2018	1,359.40	81.38	63,123.95	5,800.71	139.33	88.39	144.35	4.06	70,741.56	15,303.51
Accumulated Depreciation										
Opening accumulated depreciation	-	2.78	4,821.02	821.27	26.37	19.67	30.16	2.28	5,723.55	
Depreciation charge during the year	-	1.39	2,599.20	496.75	26.45	12.68	17.25	0.55	3,154.27	
Impairment loss	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	1.19	1.19	
Closing accumulated depreciation & impairment	-	4.17	7,420.22	1,318.02	52.82	32.35	47.41	1.64	8,876.63	
Net carrying amount as at March 31, 2018	1,359.40	77.21	55,703.73	4,482.69	86.51	56.04	96.93	2.43	61,864.94	15,303.51
Year ended March 31, 2019										
Gross carrying amount										
Opening gross carrying amount	1,359.40	81.38	63,123.95	5,800.71	139.33	88.39	144.35	4.06	70,741.56	15,303.51
Additions (Including Borrowing Cost)	66.07	-	8,459.68	853.45	49.98	10.65	3.27	-	9,443.09	16,135.70
**Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	(9,313.12)
Transfers	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	1,425.47	81.38	71,583.63	6,654.16	189.31	99.03	147.62	4.06	80,184.65	22,126.08
Accumulated Depreciation and impairment										
Opening accumulated depreciation	-	4.17	7,420.22	1,318.02	52.82	32.35	47.41	1.64	8,876.63	-
Depreciation charge during the year	-	1.39	2,868.87	550.47	40.05	14.42	16.65	0.55	3,492.40	-
Impairment loss	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation & impairment	-	5.56	10,289.09	1,868.49	92.87	46.77	64.06	2.19	12,369.03	-
Net Carrying Amount	1,425.47	75.82	61,294.54	4,785.67	96.44	52.26	83.55	1.88	67,815.63	22,126.08

(i) Refer to note 37 for information on property, plant and equipment pledged as security by the company.

(ii) Contractual Obligations

Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress mainly comprise Pipeline-Steel/MDPE,CNG Stations,Restoration charges and Stores & Spares lying in godown and at vendor locations.

(iv) The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property,plant and equipment on completion of project. The Company has transferred amount of salary amounting to Rs. 188.96 Lacs (previous year Rs. NIL Lacs) to the cost of capital work-in-progress. * - P & M I - Plant & Machinery excludes Compressors. # - P & M II - Includes Compressors only.



Maharashtra Natural Gas Limited
Notes to the financial statements

Note 4: Intangible Assets

The following tables present the reconciliation of changes in carrying value of Intangible assets :

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Computer Software
Year ended 31 March 2018	
Gross Carrying amount	
Deemed cost as on 1st April 2018	639.74
Additions	41.81
Disposals	-
Closing Gross Carrying Amount	681.55
Accumulated Amortisation	
Opening Accumulated Amortisation	453.35
Amortisation charge for the year	148.68
Closing accumulated amortisation	602.03
Closing net carrying amount	79.52

Year ended 31 March 2019	Computer Software
Gross carrying amount	
Opening gross carrying amount	681.55
Additions	23.04
Closing Gross Carrying Amount	704.59
Accumulated Amortisation and Impairment	
Opening accumulated amortisation	602.03
Amortisation charge for the year	59.52
Closing accumulated amortisation and impairment	661.55
Closing net carrying amount	43.04



Maharashtra Natural Gas Limited
Notes to the financial statements
Note 5: Other Financial Assets

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
-Security Deposit	318.57	263.20
Earmarked fixed deposits (Under lien against bank guarantees)	580.11	195.82
	898.67	459.02
Current		
Earmarked fixed deposits (Under lien against bank guarantees)	313.89	370.83
Interest Receivable	36.22	4.10
Unbilled Revenue	606.53	123.87
	956.64	498.80
Total	1,855.31	957.82

The company has pledged its earmarked fixed deposits to fulfill collateral requirements.

Note 6: Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	28.61	52.51
Total	28.61	52.51

There were no loans due by directors or other officers of the company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

Note 7: Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Finished goods (at lower of cost and net realisable value)	29.42	60.86
Total	29.42	60.86

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to Rs. NIL (previous year NIL). These were recognised as an expense during the year and included in ' changes in value of inventories of work-in-progress, stock-in-trade and finished goods' statement of profit and loss.

Note 8: Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	8,626.37	5,026.12
Receivables from related parties	1,098.91	449.78
Less: Allowance for doubtful debts	(1,931.14)	(714.73)
Total receivables	7,794.15	4,761.17
Break-up of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	7,794.15	5,350.70
Doubtful	1,931.14	125.20
Total	9,725.28	5,475.90
Less: Allowance for doubtful debts	(1,931.14)	(714.73)
Total trade receivables	7,794.15	4,761.17

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.



Note 9: Cash and cash equivalents

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	3,854.13	2,477.07
Cash on hand	37.39	54.00
Total	3,891.52	2,531.07

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 10: Other Current assets

Particular	As at March 31, 2019	As at March 31, 2018
Unsecured considered good		
Advance to supplier and employees	4.35	1.35
Receivable from revenue authorities		
- Cenvat Recoverable	42.45	70.04
- VAT Recoverable	81.67	81.67
- Balance with Income Tax	4,786.27	3,178.93
Prepaid Expenses	41.80	76.70
Total	4,956.55	3,408.69

Note 11: Equity share capital and other equity

11(a): Equity Share capital Authorised equity share capital:

Particulars	Number of shares (in lakhs)	Amount
As at 1 April 2017	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2018	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2019	1,000.00	10,000.00

(i) Movements in equity share capital

Particulars	"Number of shares (in lakhs)"	Amount
As at 1 April 2017	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2018	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2019	1,000.00	10,000.00

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 shares present at the meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. 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.



(ii) Details of shareholders holding more than 5% shares in the company

(All Figures in INR Lakhs, unless otherwise stated)

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares (in lakhs)	% Holding	No. of shares (in lakhs)	% Holding
GAIL (INDIA) LIMITED	224.88	22.49	224.88	22.49
Bharat Petroleum Corporation Ltd. (BPCL)	225.00	22.50	225.00	22.50
Indraprastha Gas Limited	500.00	50.00	500.00	50.00

11 (b) Reserves and Surplus

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	42,096.74	31,014.05
Total reserves and surplus	42,096.74	31,014.05

(i) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance (as previously reported)	31,014.05	21,490.61
Net profit for the period	14,265.35	10,571.65
	45,279.40	32,062.27
Items of other comprehensive income recognised directly in retained earnings		
-Remeasurements of post employment benefit obligation, net of tax	-	7.32
Dividends on Equity shares	(2,640.00)	(877.00)
Tax on Dividend (Exp)	(542.66)	(178.54)
Closing Balance	42,096.74	31,014.05
Total reserves and surplus	42,096.74	31,014.05



Maharashtra Natural Gas Limited
Notes to the financial statements

12 Non- Current Borrowings

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Maturity Date	Terms of Repayment	Coupon or interest rate	31-Mar-19	31-Mar-18
Secured Term loan From Bank					
Rupee Loan from State Bank of India	31-Dec-22	Refer note	At MCLR **	19,511.79	28,060.74
HDFC Bank Sec rupee term loan from bank	25-Jul-25	below*	At MCLR **	10,000.00	-
Total borrowings				29,511.79	28,060.74
Less: Current Maturities of long-term debt (included in note 13)				7,383.00	8,508.00
Less: Interest Accrued (included in note 13)				144.79	185.74
Non-current borrowings (as per balance sheet)				21,984.00	19,367.00

Non current borrowings :

Security :

SBI - Exclusive first charge on Fixed Assets (moveable and immovable) of the Company, both present and future.

HDFC - Pari-passu charge on the fixed assets (moveable and immovable) of the Company, both present and future except current assets where working capital vendors will have charge."

Terms of Repayment :

- SBI - Quarterly instalment of Rs 11.25 Crores each starting from June 30, 2016 onwards and monthly instalment of Rs.3.34 Crores starting from 1st April 2018.
- HDFC Bank - Quarterly installment of Rs. 5 Crores each starting from July 01,2020 onwards.

The Carrying amount of financial and non financial assets pledged as security for current and non current borrowing are disclosed in note 37.

Coupon or interest rate :

** In case of SBI at MCLR with annual reset and in case of HDFC bank, MCLR with monthly reset.

13 Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security Deposit from customers	-	-
Total	-	-
Current		
Current maturities of long-tem borrowings (note 12)	7,383.00	8,508.00
Interest accrued	144.79	185.74
Deposits (earnest money deposit)	280.85	292.08
Capital Creditors	1,971.17	2,131.55
Employee related payables	170.38	220.58
Security Deposit	784.79	477.62
Security Deposit from customers	7,046.68	5,228.17
Total	17,781.67	17,043.75
Total	17,781.67	17,043.75

14 Provisions

Particulars	31- Mar-2019			31- Mar-2018	
	'Current	'Non-Current	'Total	'Current	Non-Current
(A) Provisions for employee benefits					
Provision for leave encashment	26.33	148.26	174.59	21.15	139.61
Provision for gratuity	3.86	1.18	5.04	12.75	-
	30.19	149.43	179.62	33.90	139.61

Note 15: Employee Benefit Obligations

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations (i)	26.33	148.26	174.59	21.15	139.61	160.76
Gratuity (ii)*	3.86	1.18	5.04	12.75	-	12.75
Total employee benefit obligations	30.19	149.44	179.63	33.90	139.61	173.51

*In case of Actuarial valuation in respect of Gratuity, in the current financial year i.e. FY 2018-19 all the valuation is taken considering Actuarial report submitted by LIC, as payment towards the fund for gratuity is made on the basis of valuation submitted by LIC. In the financial year i.e. FY 2017-18, valuation is taken considering Actuarial report submitted by an independent agency other than LIC.

(i) Leave Obligations

The leave obligation covers the company's liability for earned leave.

Amount of provision of INR 13.83 lakhs (March 31, 2018 - INR 12.75 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	31-March-19	31-March-18
Non Current leave obligation not expected to be settled within the next 12 months	148.26	139.61
Current leave obligation expected to be settled within the next 12 months	26.33	21.15

(ii) Post-Employment obligations
(a) Gratuity:

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded plan and the company makes contributions to recognised funds in India viz. LIC of India.

(iii) Defined Contribution Plans

The company also has certain defined contribution plans. Contributions made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan as per LIC's actuarial report is INR 5.04 Lakhs (March 31, 2018 - INR 59.16 Lakhs).

The net liability disclosed above relates to funded and unfunded plans as per actuarial valuation is as follows:

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of obligation	152.64	174.59	120.72	160.90
Fair value of plan assets	147.61	-	107.97	-
Net Defecit/(surplus)	5.04	174.59	12.75	160.90



(iv) Post Employment benefits (Gratuity)

Significant Estimates: Actuarial Assumptions and sensitivity

The significant actuarial assumptions were as follows:

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	7.50%	7.60%	7.60%	7.60%
Annual Increase in Salary	6.00%	6.00%	6.00%	6.00%
Mortality Table referred	LIC (2006-08) ultimate	IALM (2012-14) ultimate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Age Withdrawal Rate %	1-3%	10.00%	8.00%	8.00%

(v) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

A) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Discount Rate"	31 03 2019 Defined Benefit Obligation(Rs. in Lacs)"
6.60%	185.63
8.60%	164.65

Salary Increment Rate	31 03 2019 Defined Benefit Obligation(Rs. in Lacs)"
5.00%	165.97
7.00%	183.97

C) Impact of change in availment rate when base assumption is decreased/increased by 100 basis point

Availment rate	31 03 2019 Defined Benefit Obligation(Rs. in Lacs)"
Decrease by 1%	166.53
Increase by 1%	181.96



Maharashtra Natural Gas Limited
Notes to the financial statements

Note 16: Deferred Tax Liabilities

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
DEFERRED TAX LIABILITIES		
Impact of difference between tax depreciation and Depreciation/ Amortization charged for the period	6,476.64	5,350.50
Adjustment pertaining to restatement	(687.87)	(687.87)
	5,788.77	4,662.63
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)	5,788.77	4,662.63

Note 17: Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables*	1,353.46	1,072.28
Trade payables to related parties	2,473.47	873.70
Total	3,826.93	1,945.98

*includes amount of Rs. 188.37 Lacs (previous year Rs. 118.05 Lacs) due to micro enterprises and small enterprises(refer note 38)

Note 18: Tax Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Tax liabilities pertaining to previous years	-	-
Adjustment pertaining to restatement	-	-
Total	-	-
Current Year Movement		
Opening Balance	4,480.50	-
Current tax payable for the year	6,055.73	4,480.50
Less: Taxes Paid	(4,200.00)	-
Closing Balance	6,336.23	4,480.50

Note 19: Other Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Tax deducted at Source Payable	58.04	41.38
Balance Payable to Government Authorities	300.16	247.61
Advance from customers	188.12	43.68
Total other current liabilities	546.33	332.67


Note 20: Revenue from Operations

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (inclusive of excise duty)	89,738.19	65,487.29
Refund of VAT	-	-
	89,738.19	65,487.29
Other Operating Revenue		
Application Fees	246.03	242.90
Other operating revenue	570.99	295.13
Recoveries from Customers	428.62	291.49
	1,245.64	829.52
Total revenue from continuing operations	90,983.83	66,316.81

Note 21 (a): Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from Bank deposits	62.46	39.68
Income-Interest on other deposits	2.88	10.48
Provision for Doubtful Debts written back	-	170.82
Total other income	65.34	220.98

21 (b) Other gains/(losses)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit on sale of assets	-	0.16
Net foreign exchange gains/(Loss)	-	-
Total other gains/(losses)	-	0.16

22 (a) Purchase of Natural Gas

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Natural Gas Cost	46,802.47	32,084.32
Total cost of Natural Gas Purchase	46,802.47	32,084.32

22 (b) Change in Inventories of Stock-in-Trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock		
Stock-in-trade	60.86	28.71
	60.86	28.71
Less: Closing Stock	29.42	60.86
Stock-in-trade	29.42	60.86
Total	31.44	(32.15)



23 Employee benefits expense

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus		1,072.85	1,157.08
Secondment Expenses		177.67	146.15
Contribution to provident and other funds		96.21	84.40
Gratuity expense	15	36.36	24.23
Leave Compensation	15	34.42	19.27
Staff welfare expenses		44.01	17.26
Total		1,461.51	1,448.38

24 Depreciation and amortization expense

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	3	3,519.01	3,150.62
Amortization of intangible assets	4	59.52	148.68
Total		3,578.53	3,299.30

25 Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowing	2,118.17	2,278.62
Total	2,118.17	2,278.62

26 Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Fuel	1,678.09	1,370.16
Power and Fuel	1,132.17	922.47
Captive Consumption or losses	545.91	447.68
Administrative Expenses	2,888.31	1,680.35
Repairs & Maintenance (General)	7.93	2.24
Vehicle Hiring Charges	113.00	99.46
Annual Day & Other Events Expenses	71.67	21.68
Subscription / Membership Fees (Journal/recreations,etc.)	8.46	15.52
Statutory Charges & Taxes (Rates & Taxes)	114.89	156.76
General Expenses	11.23	6.14
Rent for Office, Warehouse, CNG Stations, etc.	560.04	377.62
Insurance (Assets, Health, etc.)	67.72	26.26
Legal Expenses	84.86	35.23
Postage & Courier Exp. and Telephone Exp.	37.25	42.95
Professional fees	175.98	129.29
Printing & Stationery	33.05	24.65
Security Agency Expenses	75.70	103.61
Training and Seminar Expenses	24.15	11.95
Safety Expenses	18.77	8.25



26 Other expenses

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
House Keeping Expenses	63.07	41.44
Conference Expenses (Board Meeting Expenses)	8.04	4.95
Director Sitting Fees	6.37	12.35
Travelling Expenses	90.78	58.03
Stores and Spares Consumed	80.74	157.83
Corporate Social Responsibility (CSR)	55.40	100.52
Provision for Doubtful Debts Expense	2.36	-
SAP Support Costs	243.21	220.99
Revenue Expenses for Ramnagara	5.84	-
Revenue Expenses for Nashik	4.67	-
Revenue Expenses for Sindhudurg	4.80	-
Trade Margin (additional)	820.39	-
Bank Charges	97.59	22.63
Net foreign exchange gains/(Loss)	0.35	-
Selling & Distribution Expenses	979.46	722.46
Advertisement Exps. /Business & Sales Promotion Exp	199.45	134.96
Commission	74.79	48.89
CNG Cascade Transport Charges	574.41	450.51
Marketing Expenses (DMA Charges)	130.81	88.10
Operations and Maintenance Expenses	2,788.11	1,886.64
Operations and Maintenance Expenses CNG	2,433.40	1,656.84
Operations and Maintenance Expenses PNG	354.71	229.80
Total Expenses	8,333.96	5,659.60

(26) (a) Derails Of Payment To Auditors

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment to Auditors		
As auditor:		
Audit fee	6.37	5.90
Total payments to auditors	6.37	5.90

26 (b) Corporate Social Responsibility Expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Skill Development	22.50	33.36
Health Awareness	24.72	48.83
Contribution to Rural Sport and Women Empowerment	7.91	12.73
Contribution to Education program	0.27	-
Contribution to Science Techno Park	-	5.61
Total	55.40	100.53
Amount required to be spent as per Section 135 of the Act	263.97	208.68
Amount Spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	55.40	100.53

Note 27: Income Tax Expense

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assesable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	March-31-2019	March-31-2018
(a) Income Tax Expense		
Current Tax		
Current Tax on profits for the year	6,055.73	4,480.50
Total Current Tax Expense	6,055.73	4,480.50
Deferred Tax	1,126.13	1,479.11
Total deferred tax expense/(benefit)	1,126.13	1,479.11
Income Tax Expense	7,181.86	5,959.61
Income Tax Expense is attributable to:		
Profit from continuing operations	7,181.86	5,959.61

**Note 28: Fair Value Measurements
Financial Instruments by category**

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Trade Receivables	-	-	7,794.15	-	-	4,761.17
Cash and Cash Equivalents	-	-	3,891.52	-	-	2,530.65
Security deposits	-	-	318.57	-	-	263.20
Earmarked fixed deposits	-	-	893.99	-	-	566.65
Other fixed deposits	-	-	-	-	-	-
Interest Receivable	-	-	36.22	-	-	4.10
Unbilled Revenue	-	-	606.53	-	-	123.87
Total Financial Assets	-	-	13,540.97	-	-	8,249.64
Financial Liabilities						
Borrowings (including interest accrued)	-	-	29,511.79	-	-	28,060.74
Security Deposits	-	-	784.79	-	-	477.62
Security Deposit from customers	-	-	7,046.68	-	-	5,228.17
Earnest Money Deposits	-	-	280.85	-	-	292.08
Capital Creditors	-	-	1,971.17	-	-	2,131.55
Trade Payables	-	-	3,826.93	-	-	1,945.98
Employee related payables	-	-	170.38	-	-	220.58
Total Financial Liabilities	-	-	43,592.59	-	-	38,356.73

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.



Maharashtra Natural Gas Limited
Notes to the financial statements

Note 29: Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, it have taken various measures.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of the same in the financial statements.

(All figures are in INR Lakhs, unless otherwise stated)

Risk	Exposure arising	Measurement	Management
Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts
Credit	Cash and cash equivalents, trade receivables, financial	Aging analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Foreign Currency Risk

The company is exposed to foreign exchange risk mainly through its purchases from overseas suppliers in various foreign currencies. The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Sensitivity

There shall be no material impact on profit before tax due to 1% increase/decrease in foreign exchange rates.

(B) Credit Risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a

significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The company provides for expected credit loss in case of trade receivable when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.



(ii) Provision for expected credit loss

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)

(All figures are in INR Lakhs, unless otherwise stated)

Exposure to Risk	March 31, 2019	March 31, 2018
Trade Receivables	8,626.37	4,822.47

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Ageing Analysis	March 31, 2019	March 31, 2018
Upto 3 months	8819.12	4,775.54
3 to 6 months	201.05	(0.47)
6 months to 1 year	113.46	27.19
More than 1 year	612.02	20.09

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

(iii) Reconciliation of loss allowance provision - Trade Receivables

	Amount in INR (Lakhs)	31.03.2019
Loss allowance on April 01, 2017	-	
Provided during the year	296.02	125.20
As at March 31, 2018	296.02	125.20
Provided during the year	589.53	1,805.94
Reversals of provision	(170.82)	-
As at March 31, 2019	714.73	1,931.14

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing Arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2019	March 31, 2018
Floating rate		
- Expiring within one Year (bank overdraft and other facilities)	-	400.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 5 years (2016—5 years, 2015 - 5 years).

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings at the reporting date based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
March 31, 2019		
Borrowings	7,383.00	21,984.00
Trade payables	3,826.93	-
Other financial liabilities	10,253.88	-
Total Financial Liabilities	21,463.80	21,984.00

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
March 31, 2018		
Borrowings	8,508.00	19,367.00
Trade payables	1,945.98	-
Other financial liabilities	8,350.01	-
Total Financial Liabilities	18,803.99	19,367.00



Note 30: Capital management

(a) Risk management

The company's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The company's strategy is to maintain a gearing ratio within 60%. The gearing ratios were as follows:

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Net debt	29,511.79	25,530.09
Total equity	52,096.74	41,014.05
Net debt to equity + debt ratio	81,608.53	66,544.15
	36.16%	38.37%

i) Loan Covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

State Bank of India - Interest rate will be reset if there is a deviation of more than 20% in any of the 2 items as per table below

Particulars	2018-19	2017-18
Current Ratio	0.62	0.47
TOL/TNW	0.42	0.68
PBDIT/Int.	15.50	9.60
G.DSCR	3.19	2.55
ROCE	33.92	29.28

(b) Dividends

Particulars	March 31, 2019	March 31, 2018
(i) Equity Shares		
Final dividend for the year ended March 31, 2018 of INR 2.64 (March 31,2017 - INR 0.87) per fully paid share	2,640.00	877.00
(ii) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of INR 2.64 per fully paid equity share (March 31,2018 - 2.640 INR). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,640.00	2,640.00



Note 31: Segment Information

The company operates in a single segment of city gas selling and distribution in Pune and adjoining areas and there are no separate reportable segments and therefore the disclosure requirements under Ind AS 108 on "Segment Reporting" notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act are not applicable.

Note 32: Related Party Transactions

(a) Associate Entities

The company is controlled by the following entities:

(All figures are in INR Lakhs, unless otherwise stated)

Name	Type	Place of Incorporation	Ownership Interest	
			March 31, 2019	March 31, 2018
GAIL (India) Limited	Associate	India	22.49%	22.49%
Bharat Petroleum Corporation Ltd. (BPCL)	Associate	India	22.50%	22.50%
Indraprastha Gas Limited (IGL)	Associate	India	50.00%	50.00%

(b) Transactions with related parties

The following transactions occurred with related parties:

Particulars	March 31, 2019	March 31, 2018
Indraprastha Gas Limited (IGL)		
Dividend paid to parent entity	1,320.00	438.50
Sitting fees paid	1.42	2.92
Bharat Petroleum Corporation Limited (BPCL)		
Sales and Purchases of goods and services		
Sale of goods to parent entity	12,628.65	7,108.81
Purchases of Raw material from parent entity	-	328.51
Reimbursement of expenses to parent entity	3.57	1.84
Salaries, allowances and other related payments to parent entities	92.83	67.83
Trade Margin Payable	437.44	-
Other Transactions	-	-
Dividend paid to parent entity	593.99	197.33
Sitting fees paid	0.71	2.21
GAIL (India) Limited		
Sales and Purchases of goods and services		
Sale of Good to parent entity	-	-
Purchases of Raw material from parent entity	48,910.29	31,756.12
Reimbursement of expenses to parent entity	4.57	3.56
Salaries, allowances and other related payments to parent entities		
(Reimbursement of cost for Key Managerial personnel		
- Mr. A.M.Tambekar, Managing Director)	76.70	67.06
Other Transactions	594.00	-
Dividend paid to parent entity	-	197.33
Training Expenses	0.94	1.02
Sitting fees paid	-	-



(c) Outstanding balances arising from sales / purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade Payables (Purchases of goods and services)		
BPCL	-	-
GAIL	1,982.09	842.19
Payables for expenses		
BPCL	43.60	21.17
GAIL	10.33	10.33
Indraprastha Gas Limited	-	-
Payable for Trade Margin		
BPCL	437.44	-
Total Payable to related parties (Note 17)	2,473.47	873.70
	March 31, 2019	March 31, 2018
Trade Receivable (Sale of goods and services)		
BPCL	1,098.91	449.78
Total receivable from related parties (Note 8)	1,098.91	449.78

(d) Terms and Conditions

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

Goods were sold to parent entities during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable in cash.

Note 33: Contingent liabilities and contingent assets

The company had contingent liabilities at March 31, 2019 in respect of

- Bank Guarantees - Rs. 12089.57 Lacs (Previous Year Rs. 1789.09 Lacs)
- Appeal filed in respect of disputed demands :
- Sales Tax for FY 2009-10 Rs. 35.47 net of refund of Rs. 8 Lacs (Previous Year Rs 35.47 Lacs net of refund of Rs. 8 Lacs)
- Claims against the company not acknowledged as debt Rs. 142 Lacs (Previous Year Rs. 206.85 Lacs)
- Appeal filed in respect of disputed demand in GSTAT (previously known as CESTAT):
 - Service Tax under RCM for the period July 12 To Mar 18 on restoration charges Rs. 2657.10 Lacs and Penalty of Rs. 2658.21 Lacs, Total Rs. 5315.31 Lacs (Previous Year Rs. 5315.31 lacs)
- The Company has entered in to an agreement with Gas Authority of India Ltd(GAIL) to undertake a minimum of 90% of quantity of gas as mentioned in the purchase agreement. During the year Company was not able to meet the 90% purchase criteria thereby amounting to short purchase of gas. The Company has entered into an agreement with GAIL to make good the balance liability by making extra purchase of quantity of gas during the period January 2019 to December 2019.
- The company is in the process of finalization of Trade Margin connected with sale to Oil Marketing companies (OMCs)w.e.f. 01st Jan 2015. The estimated additional Trade Margin payable as demanded by OMCs over and above what is by the company is to the tune of Rs.16.41 Crores. (Previous year Nil)

Note 34: Commitments
(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Property, plant and equipment	26,142.43	15,346.38

(b) Non-cancellable Operating leases

The company leases various offices/ residential premises and warehouses under non-cancellable operating leases expiring beyond five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are negotiated.

Particulars	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	392.89	301.10
Later than one year but not later than five years	1,597.71	1,069.54
Later than five years	3,493.58	3,009.50
Total	5,484.19	4,380.14

Rental expenses relating to operating leases

Particulars	March 31, 2019	March 31, 2018
Minimum lease payments		
Total rental expense relating to operating leases	560.04	373.62

Note 35: Events occurring after the reporting period
Other Events

Refer to note 30 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 36: Earnings per share

Particulars	March 31, 2019	March 31, 2018
Net profit attributable to the Equity shareholders of the Company	14,265.35	10,571.65
Weighted average number of Equity shares of Rs.10/- each (Nos. in lacs)	1,000.00	1,000.00
Basic & Diluted Earnings per share (INR)	14.27	10.57
Weighted average number of shares used as the denominator		
Particulars	March 31, 2019	March 31, 2018
Total outstanding equity shares	1,000.00	1,000.00
Weighted average number of Equity shares of Rs.10/- each	1,000.00	1,000.00



Maharashtra Natural Gas Limited
Notes to the financial statements

Note 37: Assets pledged as security (Gross)

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(All figures are in INR Lakhs, unless otherwise stated)

Particulars	Note	March 31, 2019	March 31, 2018
Non-current			
Primary Security			
On assets in the form of plant and machinery created out of term loan	14	29,511.79	28,060.74
Collateral Security			
Pari Passu over residual assets in the form of Plant and machinery along with equitable mortgage over Land at chikhali	3	73,503.54	57,526.81
Total assets pledged as security		103,015.34	85,587.55

Note 38:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Note	March 31, 2019	March 31, 2018
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due to Micro, Small and Medium Enterprises	17	188.37	118.05
- Interest due on above		-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year		-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		-	-

**Note 39:**

Security deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities as every customer has a right to request for termination of supply and the Company does not have a contractual right to delay payment for more than 12 months.

Note 40:

During the previous year ended 31 March 2019, an amount of Rs 820.39 Lacs was provided in the books of account towards estimated revision in trade margin payable to Oil Marketing Companies (OMCs) for the sale of CNG from their respective outlets based on the ongoing negotiations with them.

Note 41: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorisation of the Company's financial statements. However, the Board of Directors have recommended a final dividend of Rs. 2.64 per fully paid equity share (March 31, 2018 - Rs. 2.64). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Note 42: Previous Year's figures

Previous Year's figures have been regrouped/reclassified wherever considered necessary, mainly in case of following items :

(All figures are in INR Lakhs, unless otherwise stated)

Nature of Reclassification	Amount Rs Lacs	Reason
Liabilities for Tax (Net) [Note 18] reclassified to Deferred Tax liabilities (Net) [Note 16]	687.87	Better Presentation and Disclosure
Statutory Charges and Taxes (Excise duty collected on sales through DBS) [Note 26] reclassified to Other Operating Revenue [Note 20]	32.66	Better Presentation and Disclosure

As per our report of even date attached
For M/s Khire, Khandekar & Kirloskar
 Chartered Accountants
 Firm Registration Number: 105148W

For and on behalf of the Board of Directors of
 Maharashtra Natural Gas Limited

Sd/-
Mandar Khire
 Partner
 Membership No : 136606
 Mumbai, 21st May, 2019

Sd/-
S. Halder
 Managing Director
 DIN: 08452845

Sd/-
S. Sontakke
 Director (Commercial)
 DIN: 07836490

Sd/-
S. Chandramohan
 Chief Financial Officer

Sd/-
S. Prabhudesai
 Company Secretary
 A48866