

**MAHANAGAR GAS LIMITED
MUMBAI**

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

TO THE MEMBERS

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of **MAHANAGAR GAS LIMITED** will be held on Friday, July 31, 2015 at 1230 hours at Hotel Taj Lands End (Malabar Conference Room, Banquet Level), Bandstand, Bandra (West), Mumbai - 400 050, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Financial Statements of the Company for the financial year ended on March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. Apurva Chandra (DIN: 02531655), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in connection therewith, to consider and if thought fit, to pass, with or without modification (s), the following Resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 and to consider and if thought fit, to pass, with or without modification (s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 148 and other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modifications and re-enactments thereof, for the time being in force), approval is hereby accorded to pay a remuneration of Rs. 2,85,000/- (inclusive of out of pocket expenses) plus applicable service tax to M/s. Dhananjay Joshi & Associates,

Cost Accountants (Registration No. 30) appointed as Cost Auditor by the Board of Directors of the Company to conduct the audit of cost records for the financial year ending March 31, 2016.

6. To re- appoint Ms. Susmita Sengupta (DIN: 06825311), as a Whole Time Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification (s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 and the provisions of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to such modifications, variations as may be approved and acceptable to Ms. Susmita Sengupta and subject to the approvals as may be necessary, the consent of members be and is hereby accorded to the re-appointment of Ms. Susmita Sengupta (DIN – 06825311), nominee of British Gas Asia Pacific Holdings Pte. Limited (BGAPH), as a Whole time Director, designated as Technical Director, not liable to retire by rotation, for the period with effect from April 1, 2015 to March 31, 2016, on the following terms and conditions, with the liberty to the Board of Directors to alter and vary the terms and conditions as the Board of Directors may consider necessary and as may be agreed by BGAPH subject to the maximum limit as prescribed under the provisions of section 197 of the Companies Act, 2013, presently being 5% of the net profit calculated as per the provisions of section 198 of the Companies Act, 2013 read with Schedule V thereof.

- (I) **Salary**: Salary shall be payable to Ms. Susmita Sengupta as per the terms and conditions agreed by and between the Promoters of the Company and as applicable to her from time to time. The present salary which includes basic salary (without deduction of hypothecation tax), Expat / Overseas Allowance, Pension Contribution, National Insurance and Medical Allowance is USD 4,93,187/- per annum (equivalent to INR 3,05,77,572/- for the year).
- (II) **Perquisites & Allowances**: Perquisites and Allowances of USD 88,959/- per annum (equivalent to INR 55,15,508/- per annum) to be allowed in addition to salary as detailed hereinafter:

Category A

- (i) The expenses by the Company on providing furnished accommodation shall not exceed USD 61,935/- per annum (equivalent to INR 38,40,000/-)
- (ii) The expenses of Company for providing a vehicle with driver of USD 17,419/- (equivalent to INR 10,80,000/-) per annum.
- (iii) Club membership fees subject to ceiling of USD 9,605/- (equivalent to INR 5,95,508/-) per annum.
- (iv) One time cost paid for the first year i.e. for the year 2015 only shall be as follows:

- a) The expenses by the Company for providing transportation cost of belongings from location to India and return shall not exceed USD 16129/- (equivalent to INR 10,00,000/-)
- b) The expenses by the Company for providing Furnishing allowance shall not exceed USD Nil (equivalent to INR Nil)
- c) The expenses by the Company for providing Brokerage for permanent accommodation shall not exceed USD Nil (equivalent to INR Nil)
- (v) Any other payment in the nature of perquisites and allowance.

Category B

- (I) Superannuation and leave encashment in case of Ms. Susmita Sengupta is Nil.

Category C

- (II) In addition to the above, Ms. Susmita Sengupta would be provided with telephone/(s) and fax at her residence which would not be considered as perquisites. The personal long distance / international calls would be borne by Ms. Susmita Sengupta. Gas, electricity, water expenses will be reimbursed on actual basis.

Note: 1 Ms.Susmita Sengupta shall not be entitled to sitting fees and commission for attending Meetings of the Board and / or Committees of Directors of the Company.

2. The Conversion rate would be made by applying TT selling rates at month end exchange rate provided by State Bank of India. For current calculations, the conversion rate taken is Rs. 62/- and rounded off accordingly.

7. To appoint Dr. Ashutosh Karnatak as Director of the Company and if thought fit, to pass, with or without modification (s), the following Resolution as an **Ordinary Resolution**.

“RESOLVED THAT Dr. Ashutosh Karnatak (DIN : 03267102), who was appointed as an Additional Director of the Company by the Board of Directors on 28th May, 2015 under Section 161 (1) of the Companies Act, 2013, read with Articles of Association of the Company and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from GAIL (India) Limited proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company and liable to retire by rotation.”

8. To appoint Mr. Nitin Banerjee as director of the Company and if thought fit, to pass, with or without modification (s), the following Resolution as an **Ordinary Resolution**.

“RESOLVED THAT Mr. Nitin Banerjee (DIN : 07196059), who was appointed as an Additional Director of the Company by the Board of Directors on 28th May,2015 under Section 161 (1) of the Companies Act, 2013, read with Articles of Association of the Company and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from him proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company and liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, and in terms of Clause 49 of Listing Agreement, as in force and effect from time to time, consent of the members of the company be and is hereby accorded for having entered and for entering into the Material Related Party Transactions as per the details provided in the table appended below:

Sr. No	Name of the Related Party	Relationship	Nature of Transaction	Maximum Value of Transactions
1.	GAIL (India) Limited	Promoter	Purchase of Gas	Rs. 400 Crores [from 1 st April, 2015 to June 30, 2015 (for ratification, on an estimate basis, as applicable)],
2.	GAIL (India) Limited	Promoter	Purchase of Gas	Rs. 1,500 Crores (for the period from 1 st July, 2015 to March 31, 2016.) Rs. 2000 Crores (for the FY Ending on March 31, 2017) Rs. 2,500 Crores (for the FY Ending on March 31, 2018)

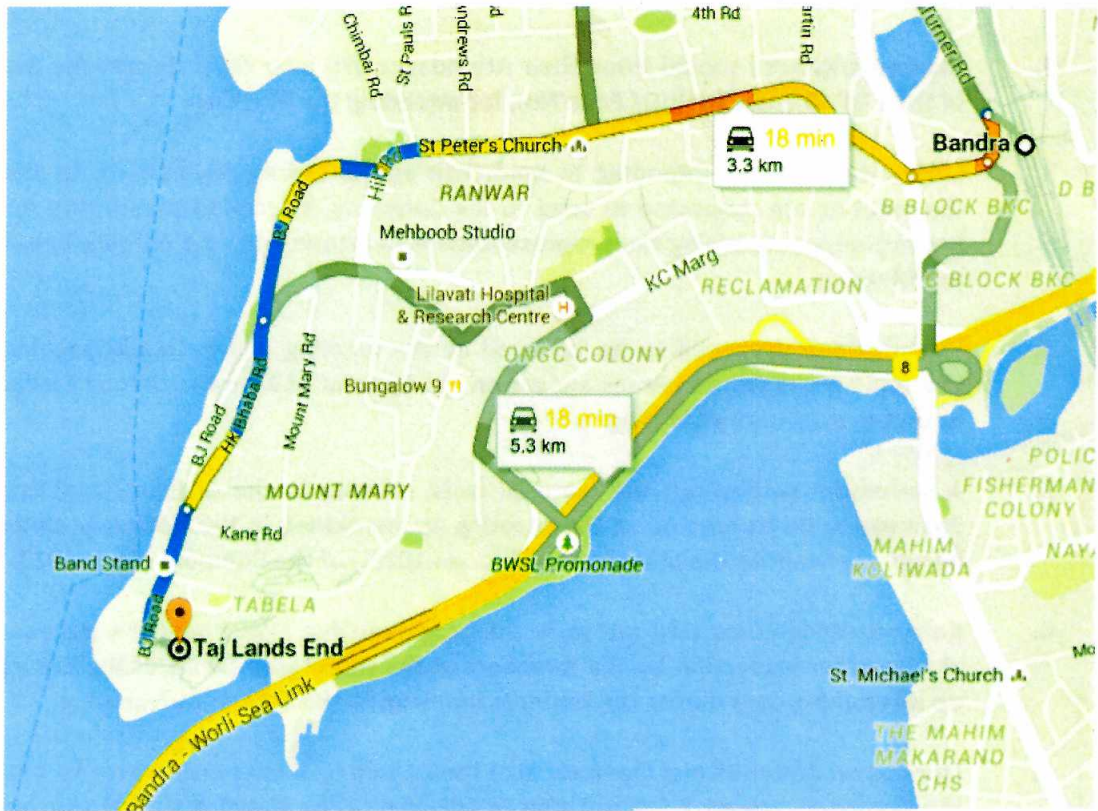
By Order of the Board
For **MAHANAGAR GAS LIMITED**


Alok Mishra
Company Secretary

Place: Mumbai
Dated: July 06, 2015

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on poll instead of himself and the Proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting.**
- 2. Members/Proxies should bring their Attendance slip duly filled therein the details of their DP ID and Client ID/ Folio No., for attending the Meeting**
- 3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution/s authorising their representatives to attend and vote on their behalf at the Meeting.**
- 4. The dividend proposed to be declared at the meeting will be made payable to those members whose names appear on the Register of Members of the Company as on the date of the Meeting.**
- 5. A statement setting out the material facts, relating to the Ordinary and Special Business to be transacted at the Meeting as mentioned in the Notice, is annexed hereto pursuant to the provisions of Section 102(1) of the Companies Act, 2013.**
- 6. Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the Registered Office of the Company on all working days during the business hours up to the date of the meeting.**
- 7. Queries on Accounts and Operations of the Company, if any, may please be sent to the Company, atleast 7 (seven) days in advance of the Meeting such that answers can be made available at the Meeting.**
- 8. The Company strongly believes in green initiatives and in pursuance of the same Members are requested to provide their e-mail id or update their existing email id with the Company to enable the Company, communicate with the Members in a better, eco-friendly and faster way.**
- 9. Members may kindly note that the Company has made arrangement of dematerialization of its Equity Shares and the ISIN No. allotted for the same by NSDL and CDSL is INE002S01010. Members are requested to consider this and avail the facility of dematerialization of the equity shares of the Company held by them.**
- 10. Route map and landmark of the venue of the meeting is as mentioned below and is also uploaded along with the notice of the Annual General Meeting on the website of the Company.**



STATEMENT SETTING OUT MATERIAL FACTS RELATING TO THE ORDINARY AND SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:

Item No. 3

Pursuant to the requirements of Clause 49 of the Listing Agreement, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Mr. Apurva Chandra
Director Identification Number	02531655
Date of Birth	September 19, 1964
Date of Appointment	April 2, 2013
Qualification	He belongs to the 1988 batch of the Indian Administrative Service (Maharashtra Cadre). He holds a Bachelor's degree in Civil Engineering from the Indian Institute of Technology, New Delhi, and a Master's degree in Structural Engineering from the Indian Institute of Technology, New Delhi and a Diploma in Business Finance from the Institute of Chartered Financial Analysts of India.
Experience in specific functional areas	He is currently the Principal Secretary (Industries), Government of Maharashtra. He has spent more than 7 years in the Ministry of Petroleum and Natural Gas, Government of India. He has also served on the Board of Directors of GAIL (India) Limited and Petronet LNG Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Shareholders' Issue and Investor Grievance Committee (upto March 25, 2015)
Directorship in other Companies	MOIL Limited Maharashtra Airport Development Company Limited Maharashtra Vikrikar Rokhe Pradhikaran Limited Aurangabad Vikrikar Rokhe Pradhikaran Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	NIL
No. of shares held in the Company	NIL

Based on the recommendation of Nomination and Remuneration committee, Board of Directors vide resolution passed at its meeting held on June 30, 2015, recommends for re-appointment of Mr. Apurva Chandra as a Director of the Company as set out in the Item No. 3 of the Notice for approval by the members.

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

Item No: 5

The Board of Directors of the Company, at its meeting held on June 30, 2015, on the recommendation of the Audit Committee, had approved the appointment of M/s Dhananjay Joshi & Associates, Cost Accountants (Registration No. 30) as the Cost Auditor for conducting the cost audit for the Financial Year 2015-16, at an audit fees of Rs. 2,85,000/- (Rupees Two Lacs Eighty Five Thousand only) (inclusive of out of pocket expenses) plus applicable service tax.

As per the provisions of Section 148 of the Companies Act, 2013 and Rules made there under, the remuneration payable to the Cost Auditor of the Company is subject to the ratification by the Members of the Company. Accordingly, the consent of the members is sought for passing an ordinary resolution as set out in the Item No. 5 of the accompanying Notice, at their ensuing Annual General Meeting, for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2016.

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

The Board recommends passing of an Ordinary Resolution as set out in the Item No. 5 the Notice for approval of the Members.

Item no. 6

Pursuant to the requirements of Clause 49 of the Listing Agreement, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Ms. Susmita Sengupta
Director Identification Number	06825311
Date of Birth	August 17, 1957
Date of Appointment	February 15, 2014
Qualifications	Bachelor's degree in Applied Sciences (Chemical Engineering) from the University of Waterloo and a Master's degree in Chemical and Petroleum Engineering from the University of Calgary, Alberta, Canada. She is a recipient of the Alberta Oil Sands Technology and Research Authority Scholarship. She is affiliated to Association of Professional Engineers of Ontario, Canada, Pipeline Inspectors' Certification, Canada and Gas Research Institute/Pipeline Research Council International Non-Destructive Testing Committee, North East Gas Association, American Gas Association, American Society of Mechanical Engineers, American Institute of Chemical Engineers.

Experience in specific functional areas	She has over 24 years of work experience. Prior to joining the Company, she has worked with DCP Midstream, Denver/Midland, Colorado/Texas, USA. She has also served as Project Director, Project Management for ENOGEX/OGE, Oklahoma City, Oklahoma, USA, as Engineering Manager, Engineering & Corrosion department for Vermont Gas Systems, Burlington, VT, USA, as Formal Leader, South East Region, Construction & Maintenance for MICHCON Gas Company, Detroit, Michigan, USA, as a Program Manager for British Gas Plc., London/ Loughborough, UK among others. During the span of her career, the responsibilities included managing all phases of project budget control and financial reporting, ensuring project execution, preparing and maintaining group business plan and budgets.
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Corporate Social Responsibility Committee Member-Stakeholders Relationship Committee Member-IPO Sub Committee.
Directorship in other Companies	NIL
Chairman/Member of the Committees of the Board of Directors of other Companies in which she is a Director	NIL
No. of shares held in the Company	NIL

Ms. Susmita Sengupta has been appointed as a Whole - Time Director of the Company for the period commencing from February 15, 2014 till March 31, 2015 subject to approval by the members of the Company and at the 19th Annual General Meeting held on September 29, 2014, the same was approved by the Members.

The Ministry of Corporate Affairs vide General Circular No. 32/ 2014 dated July 23, 2014 clarified that any resolution passed by a Company, during the period from September 01, 2013 to March 31, 2014 shall be valid only for a period of 1 (one) year from the date of passing of the resolution or six months from the commencement of the corresponding provisions in the Companies Act 2013, whichever is later.

In view of the above, the Board of Directors at its meeting held on 03rd February, 2015 ratified the appointment of Ms. Susmita Sengupta subject to approval of the Members in a General Meeting. Members thereafter approved the appointment of Ms. Susmita Sengupta as a Whole Time Director by passing an Ordinary Resolution at their Extra – Ordinary General Meeting held on 05th March, 2015 and she was re-appointed as a Whole Time Director for a period from February 11, 2015 till March 31, 2015 on the existing terms and conditions.

Further, as the tenure of Ms. Susmita Sengupta was till March 31, 2015, the Board of Directors of the Company passed a resolution at its meeting held on March 26, 2015 for re-appointment of Ms. Susmita Sengupta as a Whole Time Director for the period commencing from April 01, 2015 to March 31, 2016, on the existing terms and conditions, subject to approval of the members. However, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, in its meeting held on June 30, 2015 approved the revised terms and conditions of Ms. Susmita Sengupta subject to approval of the members, in the ensuing Annual General Meeting and other statutory provisions as may be necessary for the time being in force.

As per the terms of the Secondment Agreement entered into by and between the promoters with the Company, our Company is required to reimburse to BG Asia Pacific Holdings Pte. Ltd. (BG) the amount of salary and other allowances payable to Ms. Susmita Sengupta in accordance with her service conditions with BG. The Company has accordingly received the terms and conditions of service of Ms. Susmita Sengupta as set out in the resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise other than Ms. Susmita Sengupta and Mr. Nitin Banerjee, Vice President, Legal & Governance, BG Group Plc, the other proposed Nominee of BG as a Director on the Board of the Company.

The consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the accompanying Notice,

Item No. 7

Based on the recommendation of Nomination and Remuneration Committee, Dr. Ashutosh Karnatak, nominated by GAIL, was appointed by the Board of Directors, as an Additional Director of the Company effective from May 28, 2015.

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

Pursuant to the requirements of Clause 49 of the Listing Agreement, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Dr. Ashutosh Karnatak
Director Identification Number	03267102
Date of Birth	June 07 ,1960
Date of Appointment	May 28, 2015

Qualification	Dr. Ashutosh Karnatak, aged 55 years, has completed B. Tech in Electrical Engineering from HBTI, Kanpur, M. Tech from IIT Delhi, MBA in Finance and a Ph.D. from University of Petroleum & Energy Studies, Dehradun. Dr. Karnatak is presently pursuing Post-Doctorate in Business Administration on 'Organizational Maturity in Project Management'. He is a multi-talented personality who has developed innovative techniques and authored books on varied subjects. He is presently Director (Projects) in GAIL since March 2014.
Experience in specific functional areas	Presently, Dr. Ashutosh Karnatak is the Director (Projects) of GAIL and in the past he has served as Executive Director (Projects) in GAIL. During his rich career span of over 30 years, he has managed diverse infrastructure projects such as construction of cross country trunk pipelines like Dabhol – Bangalore, Dahej-Vijaipur, Dahej-Uran, Dabhol-Panvel, CGD networks in Mumbai, R-LNG terminal at Dabhol and building projects like LPG gas processing plant at Gandhar, besides spearheading wind and solar energy projects. He has authored books on oil and gas sector (Asian Gas Grid – A critical analysis of its feasibility), project management (Project Management of Hydrocarbon Pipelines – A Journey) and self-development (Yes! You Can; Words Have Power). He is the proponent of the movement called PI-PI-CI ("Positive India – Projectised India – Competent India"). He has developed an innovative Project Monitoring and Controlling technique called 'Arjuna – (MC4E2)ec', and capability building model named 'BeDoPhe'. Besides this, he has avid interest in astrology and is engaged in a number of social and developmental initiatives. Dr. Ashuotsh Karnatak is also the Director on the Board of M/s. GAIL Gas Limited, a subsidiary of GAIL.
Chairman/Member of the Committees of the Board of Directors of the Company	1.Member- Audit Committee 2.Member- Nomination and Remuneration Committee 3.Member -IPO Sub Committee
Directorship in other Companies	GAIL (India) Limited GAIL Gas Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	NIL
No. of shares held in the Company	NIL

Your Directors recommend appointment of Dr. Ashutosh Karnatak as a Director of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, in the said resolution except Dr. Ashutosh Karnatak and Mr. Rajeev Mathur, Managing Director, MGL and Nominee of GAIL on the Board of Mahanagar Gas Limited.

The consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the accompanying Notice.

Item No. 8

Based on the recommendation of Nomination and Remuneration Committee, Mr Nitin Banerjee nominated by BGAPH was appointed by the Board of Directors as an Additional Director of the Company, effective from May 28, 2015.

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

Pursuant to the requirements of Clause 49 of the Listing Agreement, the brief Profile of the Director/(s) proposed to be appointed/re-appointed is provided below:

Particulars	Details
Name	Mr Nitin Banerjee
Director Identification Number	07196059
Date of Birth	November 01,1976
Date of Appointment	May 28,2015
Qualification	Mr. Nitin Banerjee, aged 38 years, has graduated in Law from Lucknow University and also completed Solicitorship from College of Law, London (UK).
Experience in specific functional areas	Mr. Nitin Banerjee is presently Vice President, Legal & Governance in BG Group Plc's Indian operations. He is responsible for Legal guardian of BG's Indian operations, to lead BG India's Legal team and accountable for the legal and governance function of the Indian asset. He is Key member of the Indian Asset Leadership Team (ALT) and provides Legal advice and strategic guidance in respect of BG India operations and activities, including partner management, engagement with upstream regulator and petroleum ministry, legal work streams associated with approval and sanction of development projects, brownfield activities and

	annual work programme and budgets. Mr. Nitin started his career with Trilegal, India as Senior Associate in the year 2002 and has also worked as a Senior Lead Counsel – Africa, Middle East and Asia (AMEA) Region for BG Group Plc, UK. Prior to taking over as Vice President, Legal & Governance in BG Group Plc's Indian operations, he was a Partner in the "Energy and Projects Practice" division of J. Sagar Associates, a top tier full service Indian Law Firm. He has overall experience of more than 17 years.
Chairman/Member of the Committees of the Board of Directors of the Company	1. Member-Audit Committee 2. Member-Nomination and Remuneration Committee 3. Member-IPO Sub Committee
Directorship in other Companies	NIL
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	NIL
No. of shares held in the Company	NIL

Your Directors recommend appointment of Mr. Nitin Banerjee as a Director of the Company.

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

The consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the accompanying Notice.

Item No.9

As the shareholders are aware, your company, Mahanagar Gas Limited (MGL), is presently engaged in the business of distribution of gas, being Compressed Natural Gas (CNG) and Piped Natural Gas (PNG), within Mumbai and its Adjoining Areas. GAIL (India) Limited is the largest state-owned natural gas processing and distribution company in India and MGL purchases a substantial requirement of the natural gas from GAIL (India) Limited, in the ordinary course of business and at arm's length price through an approved process of competitive pricing.

Although the present provisions of Section 188 of the Companies Act, 2013 read with rule 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions, read together with the exceptions

therein, indicate that transaction/s entered into by the company, in its ordinary course of business and at arm's length basis, do not require any approval from the shareholders, the provisions of the Listing Agreement prescribe for seeking of shareholders' approval, by way of special resolution, for material related party transactions.

Pursuant to the provisions of revised Clause 49 of the Listing Agreement, the transaction of purchase of gas from GAIL (India) Limited is in ordinary course of business and at arm's length price and it being material in nature, *per se*, the same requires prior approval of the unrelated shareholders of the Company in a general meeting by a special resolution.

Further, with a view to facilitate Companies to continue their business operations in an uninterrupted manner, the Companies Act, 2013 has provided an option for ratification of the transactions entered with related parties without obtaining the prior approval of the Audit Committee, Board or the Shareholders in the general meeting due to business exigencies. As our company purchases gas from GAIL (India) Limited on continuous basis and as obtaining prior approval of the shareholders in a general meeting was unfeasible and not administratively convenient, for any such transaction entered into by the company with GAIL, it is considered prudent to go for ratification of these MRPTs by the Shareholders of the company. Hence shareholders are requested to ratify the transactions entered with GAIL for purchase of Gas from 1st April, 2015 to June 30, 2015 (on an estimate basis, as applicable), as mentioned in the draft resolution in the attached Notice.

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

Name of the Related Party	GAIL (India) Limited
Name of the Director or key managerial personnel who is related, if any	1. Dr. Ashutosh Karnatak 2. Mr. Rajeev Mathur
Nature of Relationship	Promoter and Nominee Directors of Promoter Company.
The nature, material terms, monetary value and particulars of the contract or arrangement	All transactions to be ratified and transactions proposed to be carried out of purchase of gas from GAIL based on business requirements of the Company is through an approved process of competitive pricing and in the ordinary course of business and at arms' length, and as per extant statutory guidelines issued by MoPNG, as applicable. 1. APM (Administered Price Mechanism) <ul style="list-style-type: none"> • Nature: Long Term Gas Sales and Transportation Contract

	<p>2. PMT (PANNA MUKTA TAPTI FIELDS)</p> <ul style="list-style-type: none"> • Nature: Long Term Gas Sales and Transportation Contract <p>3. MDP (Mid Term)</p> <ul style="list-style-type: none"> • Nature: Mid-term Gas Sales Agreement <p>4. SPOT RLNG</p> <ul style="list-style-type: none"> • Nature: Short Term Spot Gas Sales Agreement <p>Estimate of the annual value of the purchases is as under:-</p> <p>Rs. 400 Crores [from 1st April, 2015 to June 30, 2015 (for ratification, on an estimate basis, as applicable)],</p> <p>Rs. 1,500 Crores (for the period from 1st July, 2015 to March 31, 2016.)</p> <p>Rs. 2,000 Crores (for the FY Ending on March 31, 2017)</p> <p>Rs. 2,500 Crores (for the FY Ending on March 31, 2018)</p>
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above proposals were approved by the Audit Committee at its meeting held on June 29, 2015 and is recommended by the Board of Directors vide resolution passed at its meeting held on June 30, 2015 to the unrelated shareholders of the Company for their approval.

The Board of Directors therefore recommends the resolution as set out in Item No. 9 of the Notice for approval of shareholders of the Company. As per Clause 49(VII) (E) of the Listing Agreement, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of Material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company will not vote on this resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. Ashutosh Karnatak and Mr. Rajeev Mathur, Managing Director, MGL and Nominee of GAIL are concerned or interested, financially or otherwise, in the said resolution.

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

Place: Mumbai
Date: July 06, 2015


Alok Mishra
Company Secretary

MAHANAGAR GAS LIMITED

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

TWENTIETH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

DP ID/Client ID/Folio No:

No. of shares.....
(To be filled by the member)

I, hereby, record my presence at the Twentieth Annual General Meeting of the Company being held on Friday, 31st day of July, 2015 at 1230 hours at Hotel Taj Lands End (Malabar Conference Room, Banquet Level), Bandstand, Bandra (West), Mumbai - 400 050

Name of Member

Name of Proxy

Signature of Member/Proxy

Note :

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

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

PROXY FORM

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

Name of the member (s):

E-mail Id:

Registered address:

DP ID/Client ID/ Folio No:

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

1. ofhaving e-mail id..... or failing him
2. ofhaving e-mail id.....

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the Company, to be held on 31st day of July, 2015 at 12:30 hours at Taj Lands End (Malabar Conference Room, Banquet Level), Bandstand, Bandra (West), Mumbai - 400 050 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Resolution	Vote/s	
		For	Against
ORDINARY BUSINESS			
1	To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.		
2	To declare Dividend on equity shares.		
3	To appoint a Director in place of Mr. Apurva Chandra (DIN: 02531655), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint Statutory Auditors and fix their remuneration.		
SPECIAL BUSINESS			
5	To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016.		
6	To re- appoint Ms. Susmita Sengupta (DIN: 06825311), as a Whole Time Director of the Company.		

7	To appoint Dr. Ashutosh Karnatak as Director of the Company		
8	To appoint Mr. Nitin Banerjee as Director of the Company		
9	To approve Material Related Party Transactions		

Signed this..... day of..... 2015

Affix Revenue Stamp

Signature of Member:

Signature of Proxy holder(s):

 First

 Second

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.