

# Mahanagar Gas Limited Mumbai

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

To,  
The Members

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

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

## Ordinary Business

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

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

## Special Business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

of the Act, as the Board may from time to time fix in that behalf and the same to be divided amongst them in such manner as the Board may, from time to time, determine, for a period of five years commencing from the financial year 2016-17."

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

**"RESOLVED THAT** pursuant to the provisions of

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

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

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

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



**Alok Mishra  
Company Secretary & Compliance Officer**

**Place : Mumbai**

**Date : August 20, 2016**

**NOTES:**

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

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

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

Resolution/s authorising their representatives to attend and vote on their behalf at the Meeting.

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

electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

20. The Board of Directors has appointed Mr. Lalit K. Jain, Practicing Company Secretaries (Membership No. 1903) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

21. The facility for voting through polling paper shall be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

23. The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open the email and open PDF file namely; "MGL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Open the internet browser by typing the following URL: <https://www.evoting.nsd.com/>

(iii) Click on Shareholder – Login

(iv) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

(v) If you are logging in for first time, please enter the user ID and password in the pdf file attached with the e-mail as initial password/PIN as noted in step (i) above. Click Login.

(vi) The Password change menu will appear on your screen. Change the password/PIN with new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

(vii) Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.

(viii) Select "EVEN" (E-voting Event Number) of "Mahanagar Gas Limited" which is 105022 Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once the vote on a resolution is cast, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [lkjcs@yahoo.com](mailto:lkjcs@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. (i) The Member(s) whose email ID is not registered with the Company/Depository Participants(s), and they are not having their user ID and Password may follow any of the below mentioned option:-

#### Option-I

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

#### Option-II

1. Open the internet browser by typing the following URL: <https://www.evoting.nsd.com/>

2. Kindly select the "Shareholders option" and click "login through the Physical user reset password option"

3. On clicking the aforesaid option, the Physical user shall be prompted with the following details to be mandatorily provided:-

a. Folio Number.

b. After mentioning folio number, please select the Company i.e Mahanagar Gas Limited.

c. USER ID to be specified by the Physical user (this would be a combination of EVEN number + Folio number).

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

### C. Other Instructions:-

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

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

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

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

#### Item No: 5

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

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

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

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

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

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

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

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

#### **Item No: 6**

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

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

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

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

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

#### **Item No: 7**

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

<b>Particulars</b>	<b>Details</b>
Name	Mr. Santosh Kumar
Director ID Number	00239324
Date of Birth	July 01, 1949
Date of Appointment	September 29, 2014
Qualification	Mr. Santosh Kumar, aged 67 years, has Bachelor's degree in Electrical Engineering from the University of Allahabad.
Experience in specific functional areas	He has over 40 years of work experience. Prior to joining our Company, he was the Director (Projects) in GAIL from 2006 to 2009. He was also the Chairman of Green Gas Limited and Maharashtra Natural Gas Limited and Director on the Board of Central UP Gas Limited, and Gujarat State Energy Generation Limited. He was also an advisor with Gujarat State Petronet Limited from 2009-10.
Chairman/Member of the Committees of the Board of Directors of the Company	Member-Audit Committee Chairman-Corporate Social Responsibility Committee
Directorship in other Companies	Indraprastha Gas Limited
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	Nil
No. of shares held in the Company	NIL



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

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

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

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

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

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

**Item No: 8**

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

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





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

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

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

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

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

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

#### Item No: 9

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

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

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

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

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

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

#### **Item No: 10**

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

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

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

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

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

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

#### **Item No.11**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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



**Alok Mishra**  
Company Secretary & Compliance Officer

Place : Mumbai  
Date : August 20, 2016



# Mahanagar Gas Limited Mumbai

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

## TWENTY FIRST ANNUAL GENERAL MEETING ATTENDANCE SLIP

DP ID/Client ID/Folio No: \_\_\_\_\_

No. of shares: \_\_\_\_\_

(To be filled by the member)

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

Name of Member : .....

Name of Proxy: .....

Signature of Member/Proxy: .....

**Note:**

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



# Mahanagar Gas Limited Mumbai

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

## PROXY FORM (Form No. MGT - 11)

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

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

Registered address: \_\_\_\_\_ DP ID/Client ID/ Folio No: \_\_\_\_\_

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

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

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

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

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

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

First

Second

Third

Signature of Member:

**NOTES:**

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



### Address and Route Map to the AGM Venue

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





**(THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)****(PUBLIC COMPANY LIMITED BY SHARES)****ARTICLES OF ASSOCIATION  
OF  
MAHANAGAR GAS LIMITED**

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles are detailed below.*

**I. PRELIMINARY**

<b>“Table ‘A’ and Table ‘F’ to apply except modified herein”</b>	1.+	Subject as hereinafter provided, the Regulations in Table ‘A’ in Schedule I to the Companies Act, 1956 (hereinafter referred to as Table A) and Table ‘F’ in Schedule I to the Companies Act, 2013 (hereinafter referred to as Table F) shall apply to the Company in so far as they are applicable to a public limited company and constitute its regulations, except in so far as they are hereinafter expressly or impliedly, excluded, modified or varied. For avoidance of doubt, (i) the regulations contained in Table A which correspond to provision under the Companies Act, 1956, shall only be applicable to the extent the relevant provisions of the Companies Act, 1956 are still in force and (ii) the regulations contained in Table F which correspond to provision under the Companies Act, 2013, shall only be applicable to the extent the relevant provisions of the Companies Act, 2013 have been notified.
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**II. DEFINITIONS AND INTERPRETATIONS**

<b>“Interpretation”</b>	2.	In the construction of these Articles unless inconsistent with the context the singular shall include the plural and the masculine shall include the feminine and vice versa, and persons shall include bodies corporate, and the following words and expression shall have the following meanings:
<b>“Act”</b>	a+	“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder and any statutory modification or re-enactment thereof for the time being in force.
<b>“Annual General Meeting”</b>	B	“ <b>Annual General Meeting</b> ” shall mean the annual general meeting of the Members of the Company held each year in accordance with the provisions of the Act.
<b>“Articles”</b>	C	“Articles” shall mean these Articles of Association as amended from time to time
<b>“Auditors”</b>	d	“Auditors” shall mean the entity appointed as statutory auditors of the

		Company in accordance with provisions of the Act.
<b>“Board”</b>	E	“Board” or “Board of Directors” shall mean the Directors of the Company for the time being.
<b>“BGAPH”</b>	f+	“BGAPH” shall mean British Gas Asia Pacific Holdings Pte Limited, a company incorporated under the laws of Singapore having its registered office at 8 Marina View, Asia Square Tower 1, #11-03, Singapore 018960, including its successors and permitted assigns.
<b>“Company”</b>	G	“Company” shall mean Mahanagar Gas Limited, a company incorporated under the laws of India.
<b>“Dividend”</b>	H	“ <b>Dividend</b> ” shall include dividend, interim dividend and bonus.
<b>“Extraordinary General Meeting”</b>	i+	“Extraordinary General Meeting” shall mean an extraordinary general meeting of the Company called by the Board under Section 100 of the Act.
<b>“General Meeting”</b>	J	“General Meeting” means meeting of the Members of the Company whether an Annual General Meeting or an Extraordinary General Meeting.
<b>“GAIL”</b>	K	“GAIL” shall mean GAIL (India) Limited (formerly Gas Authority of India Limited), a company incorporated under the Indian Companies Act, 1956 (No.1 of 1956), having its registered office at 16, Bhikaiji Cama Place, R.K. Puram, New Delhi 110 066, India, including its successors and permitted assigns
<b>“Member ” or “Members”</b>	L	<p>“Member” or “Members” in relation to the Company shall mean:</p> <p>(a) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its Register of Members;</p> <p>(b) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members of the Company;</p> <p>(c) every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a depository.</p>
<b>“Memorandum of Association” or “Memorandum”</b>	m+	“Memorandum of Association” or “Memorandum” shall mean Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous company law or of the Act.
<b>“Person”</b>	n	“Person” shall include individuals, firms, bodies of individuals, companies and other bodies corporate.
<b>“Register” or “Register of Members”</b>	o	“Register” or “Register of Members” shall mean the register of Members to be kept pursuant to the provisions of the Act.
<b>“Seal”</b>	p	“Seal” shall mean the common seal of the Company.
<b>“Shares”</b>	q+	“Shares” shall mean the shares in the share capital of the company and includes stock.

**“Words and expressions derived in the Companies Act, 2013”+**

And subject as aforesaid and unless the context otherwise requires words or expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

**III. CAPITAL**

**“Capital”** 3+ The authorised share capital of the Company is Rs.1,300,000,000/- (Rupees One Billion Three Hundred Million) divided into 130,000,000 (One Hundred Thirty Million) Shares of Rs.10/- (Rupees Ten) each payable in the manner as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or re-organise the Shares, subject to the provisions of the Act, to vary such rights as may be determined in accordance with the Articles.

**IV. ISSUE OF SHARES**

**“Preference Shares”** 4.a\*+ The Company shall have power to issue preference shares carrying a right of redemption out of profits or out of the proceeds of a fresh issue of shares and the Board of Directors may subject to the provisions of Section 55 of the Act and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and proviso to Section 80A(1) and Section 80A(2) of Companies Act, 1956 (until the time these provisions remain in force) (including any statutory modification(s) or re-enactment thereof) exercise such power in any manner as they may think fit.

**“Sweat Equity Shares”** 4.b\*+ The Company shall have power to issue sweat equity shares subject to the provisions of Section 54 of the Act and other applicable laws at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called.

**“Equity Shares”** 4.c\*+ Subject to the provisions of the Act and any Rules framed there under, the Board of Directors may issue equity shares upon such terms and conditions and with such rights and privileges annexed thereto, including differential rights as to dividend, voting or otherwise as the Board of Directors may deem fit.

**“Issue of Shares to employees / Directors ranking pari passu with the ordinary Shares”** 4.d\*+ In accordance with the provisions of the Act (including any statutory modification(s) or re-enactment thereof) and other applicable laws, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company or any committee thereof for the time being exercising the powers conferred on the Board or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the Board may, if and when thought fit, create, offer, issue, allocate or allot in one or more tranches, to such persons who are, in the sole discretion of the Board, in the permanent employment of the Company, and to the Executive/Managing/Whole time Directors of the Company, such number of ordinary shares of the Company of the face value of any denomination, including ordinary shares in the form of fully or partly convertible debentures, bonds,

warrants or other securities as may be permitted by the law, from time to time not exceeding such percentage of the capital of the Company as may be permitted by the law, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines, regulations and provisions of law and otherwise ranking pari passu with the ordinary shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion deem fit

**“Bonus Shares”** 4.e\*+ The Company may subject to the provisions of Section 63 of the Act and other applicable law, capitalize its profits or reserves for the purpose of issuing fully paid-up bonus shares.

**V. REDUCTION OF CAPITAL**

**“Reduction of Capital”** 5.a\*+ The Company may, from time to time, by special resolution and subject to the provisions of Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and further subject to the provisions of Section 66 of the Act, (upon such provision of the Act coming into force) reduce its share capital, Capital Redemption Reserve Account or Share Premium Account in any way and in particular, without prejudice to the generality of the foregoing power, by:

5.a.(i)\* extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up; or

5.a.(ii)\* cancelling, either with or without extinguishing or reducing liability on any of its shares, any paid-up capital which is lost or unrepresented by available assets; or

**“Capital may be paid off”** 5.a.(iii)\* paying off, either with or without extinguishing or reducing liability, on any paid-up share capital which is in excess of the wants of the Company, and capital may be paid off upon the footing that it may be called up again or otherwise and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount.

**“Reduction of Capital and buy back of securities”** 5.b\*+ Notwithstanding anything contained in these Articles, subject to all applicable provisions of the Act, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time), including Sections 66 (upon such provision of the Act coming into force), 68, 69 and 70 of the Act, and subject to such other approvals, permissions and sanctions, and in accordance with regulations made by authorities or bodies as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, the Board of Directors may, if and when thought fit, buy back from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities

issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities") of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of issuance of any shares or other securities or from such other sources as may be permitted by law, on such terms and conditions and in such manner as may be prescribed or permitted by law from time to time.

## VI. DEMATERIALISATION OF SHARES

	6.a*	For the purpose of this Article:
<b>“Beneficial Owner”</b>	6.a.(i)*	“Beneficial Owner” means a person or persons whose name is recorded as such with a depository;
<b>“SEBI”</b>	6.a.(ii)*	“SEBI” means the Securities and Exchange Board of India;
<b>“Depository”</b>	6.a.(iii)*+	“Depository” means a company formed and registered under the Act or the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and
<b>“Securities”</b>	6.a.(iv)*	“Security” means such security as may be specified by SEBI from time to time.
<b>“Dematerialization of Securities ”</b>	6.b*	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
<b>“Option to Subscribers to receive Security Certificates or to have Securities in demat form”</b>	6.c+	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.
<b>“Intimation to Depository of securities allotted in demat form”</b>	6.d+	If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
<b>“Depository deemed to be registered owner “</b>	6.e(i)*	Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
<b>“Depository not to have voting rights”</b>	6.e(ii)*	Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
<b>“Beneficial owner deemed to be Member</b>	6.e(iii)*	Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject

		to all the liabilities in respect of his securities which are held by a depository.
<b>“Depository to supply list of beneficial owners”</b>	6.f*	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
<b>“Provision of Section 56 not to apply”</b>	6.g*+	Nothing contained in Section 56 of the Act, except sub sections 3, 4, 5 of that Section or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository
<b>“The Company to intimate Depository the allotment of Securities in demat form”</b>	6.h*	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
	6.i*	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
<b>“Register &amp; Index of Members &amp; Security Holders”</b>	6.j*	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles. “Register & Index of Members & Security Holders”

## **VII. SHARES AND SHAREHOLDERS**

<b>“Further issue of Shares”</b>	7.a+	Where at any time, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered: <ul style="list-style-type: none"> <li>(a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those Shares by sending a letter of offer subject to the following conditions, namely: <ul style="list-style-type: none"> <li>(i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined</li> <li>(ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) above shall contain a statement of this right;</li> <li>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;</li> </ul> </li> </ul>
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- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed by the rules framed under the Act; or
- (c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) of this Article, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed by the rules framed under the Act.

7.b+ The notice referred to in sub-clause (i) of clause (a) of Article 7.a above shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders of the Company at least three days before the opening of the issue.

7.c + Nothing in Articles 7.a, 7.b and 7.c shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

**“Shares at the disposal of the Directors”**

7.d\*+ Subject to the provisions of Section 62 of the Act and sub-sections (4) to (7) of section 81 of the Companies Act, 1956 (until such times that these provisions are in force) or any other applicable rules and/or regulations and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may allot and issue Shares in the capital of the Company on payment in full or part of any property sold and transferred for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that the option or right to call of Shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

**“Registered Holders to be absolute owner”**

7.e\* Save as herein or by law otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any benami trusts whatsoever or equitable, contingent,

future, partial or other claim to or interest in such share, on the part of any other person whether or not it shall have express or implied notice thereof. The provisions of the Act shall apply and save as aforesaid, no notice of any trust expressed, implied or constructive, shall be entered in the Register; the Directors shall, however, be at liberty, at their sole discretion to register any share in the joint names of any two or more persons, and the survivor or survivors of them

**“Company’s Lien on Shares/Debentures”** 7.f\*+ The Company shall have a first and paramount lien upon all the Shares/debentures (other than fully paid-up Shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Unless otherwise agreed the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article.

**VIII. JOINT HOLDERS**

**“Joint Holders”** 8.\* Where two or more persons are registered as the holders of any shares they shall be deemed (so far as the Company is concerned) to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in these Articles:

**“Two persons as Joint Holders”** 8.a\* The Company shall be entitled to decline to register more than two persons as the joint-holders of any shares.

**“Liabilities for all payment in respect of shares”** 8.b\* The joint-holders of any shares shall be liable, severally as well as jointly, for and in respect of all calls or installments and other payments which ought to be made in respect of such shares

**“Title of survivors”** 8.c\* On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

**“Joint Holders of Shares to give receipt for payments in respect thereof”** 8.d\* Any one of such joint - holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.

**“Delivery of Certificate and giving of Notices to first named Holders”** 8.e\*+ Only the person whose name stands first in the Register of Members as one of the joint-holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.

**“Voting Rights of Joint Holders”** 8.f\* Any one of two or more joint-holders may vote at any meeting either personally or by any agent duly authorised under a power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any



meeting personally or by proxy or by attorney then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof. Provided, always, that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first in the Register in respect of such shares. Several executors of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this sub-clause be deemed joint-holders.

**“Limitation of Time for Issue of Certificates”**

8.g\*+

Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

**“Issue of new certificate in place of one defaced, lost or destroyed”**

8.h\*+

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity, affidavit as the Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the Company.

## IX. UNDERWRITING AND BROKERAGE

<b>“Commission and Brokerage”</b>	9.*+	The Company may, subject to the provisions of Sub-section (6) of Section 40 of the Act and Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or his procuring, subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company and commission in case of shares and debentures shall be paid in accordance with the applicable law and regulations. The commission may be paid out of the proceeds of the issue or the profit of the company or both. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
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## X. NOMINATION OF SHARES

<b>“Nomination”</b>	10.a*	Every shareholder or debenture holder of the Company, may at any time nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death
<b>“Joint Holders may nominate only one person jointly as their Nominee”</b>	10.b*	Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
<b>“Nominee’s right in case of death of Joint Holders”</b>	10.c*	Notwithstanding anything to the contrary contained in any other law or these Articles for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or the debentures of the Company, the nominee shall, on death of the shareholder or debenture holder, or, as the case may be on the death of the joint holders, become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
<b>“Minor Nominee to Appoint another person as his Nominee”</b>	10.d*	Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority of such nominee.

## XI. CALLS

<b>“Calls”</b>	11.a*	The Board of Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call or any installment of a call may be revoked or postponed by the Board of Directors.
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<b>“Notice of Call”</b>	11.b*	Not less than fourteen days or such period as may be provided by the Act, applicable rules and regulations, notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
<b>“Call deemed to be made on the date of Board Reso-lution”</b>	11.c*	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at meeting of the Board of Directors and may be made payable by the Members on such date, or at the discretion of the Directors on such subsequent date, as shall be fixed by the Board of Directors.
<b>“Board may extend the Call time at its discret-ion</b>	11.d*	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the Members of the Board of Directors may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
<b>“Amount payable at fixed time or by installments pay able as Calls”</b>	11.e*+	<p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p> <p>In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
<b>“Interest on Call payable”</b>	11.f*	If the sum payable in respect of any call or installment be not paid for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate as the Board of Directors shall fix from the day appointed for the payment thereof until the time of actual payment, but the Board of Directors may waive payment of such interest wholly or in part.
<b>“Evidence in action for Call”</b>	11.g*	On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the directors who made such call, nor that a quorum of directors was present at the Board at which any call was made nor that the meeting at such any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
<b>“Payment of Calls in advance”</b>	11.h*+	The Board of Directors may, subject to the provisions of Section 50 of the Act, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount due upon the Shares held by him beyond the sums actually called for and upon the money

so paid up in advance or so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of its Shares on account of such advances are made, the Company may pay interest, at such rate not exceeding unless the Company in a General Meeting otherwise directs, six percent to the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Members by giving suitable written notice as may be decided by the Board of Directors of the Company. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend.

No Member paying any sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

The provisions of this Article shall mutatis mutandis apply to calls on debentures of the Company.

<b>“Calls to be uniform”</b>	11.i*+	Where any calls are made on shares they shall be on uniform basis for all shares of the same class in accordance with Section 49 of the Act.
	11.j*	If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
<b>“Joint Holders liability in respect of Calls, Joint &amp; Several”</b>	11.k*	The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.

**XII. TRANSFER AND TRANSMISSION OF SHARES**

<b>“Execution of Transfer Deed etc”</b>	12.*+	The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
<b>“No fee on Transfer or Transmission”</b>	13. +	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
<b>“Directors may decline to register transfer”</b>	14.*+	Subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

		<p>Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on Shares.</p>
<b>“Transmission of Shares”</b>	15.a*+	<p>Any share of a deceased member may be transferred by his or her executors, administrators (after furnishing to the Board of Directors such documentary evidence as the Board of Directors may in their absolute discretion require including an appropriate indemnity) to the widow or widower or any such relative as aforesaid of such deceased member but only where such widow, widower or relative is a legatee under a will of the deceased or an heir(s), where the deceased has died intestate.</p>
<b>“No transfer to minor or insolvent or person of unsound mind”</b>	15.b*	<p>No share shall in any circumstances be transferred to a minor, insolvent or a person of unsound mind.</p>
<b>“Transfer of Shares”</b>	15.c*+	<p>Save as provided in Article 15.b of these Articles and subject to the provisions of Section 59 of the Act, the shares or debentures of the Company and any interest therein shall be freely transferable.</p>
<b>“Title of survivors”</b>	15.d*+	<p>In the case of death of any one or more of the persons named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained, shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.</p>
<b>“Company not bound to recognize executors or Administrators or holders of a Succession Certificate”</b>	16.*	<p>The executors or administrators or holders of Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or the legal representatives shall have first obtained probate or letters of administration or succession certificate as the case may be, from a duly constituted Court in India PROVIDED THAT in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate and under Article 17 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p>
<b>“Transfer of Shares in favour of purchaser nominated by Board”</b>	17.*+	<p>Subject to the provisions of Articles 15.d and 16 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, insolvency or liquidation of any Member, by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or such title, as the Board thinks sufficient, either be registered itself / himself as the holder of the shares or elect to have some person nominated by it/him and approved by the Board, registered as such holder, provided, nevertheless, that if such person shall elect to have its/his nominee registered, it/he shall testify the election by execution in favour of its/his nominee an instrument of transfer in accordance with the</p>

provisions herein contained, and, until it/he does so, it/he shall not be freed from any liability in respect of the shares. If the Board refuses to register the transmission or transfer by the person becoming entitled to shares as aforesaid the Company shall comply with the provisions of Section 59 of the Act.

### **XIII. MODIFICATION OF RIGHTS**

<b>“Power to vary Shareholders’ rights”</b>	18.*+	Whenever the capital (by reason of the issue of Preference Shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provision of Section 106 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof), be modified, commuted, affected, abrogated or otherwise varied subject to (a) the consent in writing by the holders of at least three-fourths in nominal value of the issued shares of the class concerned or (b) the sanction of a special resolution passed at a separate General Meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meetings, shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall, subject to the provisions of the Act and any applicable provisions of the Companies Act, 1956, be the members holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.
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### **XIV. BORROWING POWERS**

<b>“Powers to borrow”</b>	19.**+	Subject to the provisions of these Articles and the Act and the Companies (Acceptance of Deposits) Rules, 2014 or any statutory modifications thereof for the time being in force, the Board may from time to time at its discretion, by a resolution passed at a meeting of the Board and with the consent of the Company by passing a resolution in the General Meeting accept deposits from Members either in advance of calls or otherwise subject, however, that such deposits together with the amount of other deposits outstanding of the Company as on the date of acceptance or renewal of such deposits shall not exceed 25% of the aggregate of the paid-up share capital and free reserves of the Company.
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	20.+	Subject to the provisions of Section 180 and other applicable provisions of the Act and any Rules framed there under, the Board of Directors of the Company may from time to time at its discretion, borrow money, by a resolution passed at a meeting of the Board. In the event, the money to be borrowed, together with the money already borrowed by the Company, exceeds the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business, the Board shall exercise the powers to borrow such amount only with the consent of the Company by a special resolution in a General Meeting.
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<b>“Securities to be Subject to control of Directors”</b>	21.**+	The Board may, subject to the provisions of the Act and other applicable law, raise or secure the repayment of such sum or sums including interest and other charges, if applicable, in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, redeemable debentures or debenture
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stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being. Debentures with the right to conversion into Shares or linked to allotment of Shares shall be issued in accordance with the provisions of the Act and only with the consent of the Company in General Meeting by way of a special resolution.

<b>“Register of Charges”</b>	22.**	The Board shall cause a proper Register to be kept in accordance with the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of the Act in that behalf to be duly complied with.
<b>“Securities may be assignable</b>	23.*+	Subject to the provisions of the Act, any such debenture, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
<b>“Terms of issue of debentures”</b>	24.*+	Subject to the provisions of the Act and other applicable provisions of the Companies Act, 1956 which continue to be in force (and until the time they so remain in force), any Debenture, debenture stock, bonds or other securities may be issued at discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise PROVIDED HOWEVER that no Debentures with right to conversion into or allotment of shares shall be issued except with the sanction of the Company in General Meeting.

**XV. GENERAL MEETINGS**

<b>“Power to Board to convene an Extra-Ordinary General meeting”</b>	25.**+	The Board may, whenever it thinks fit, call an Extraordinary General Meeting, by giving not less than twenty-one days’ notice in writing.
<b>“Business at General Meeting”</b>	26.**	No General Meeting shall be competent to enter, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

**XVI. PROCEEDINGS AT GENERAL MEETINGS**

<b>Quorum for General Meeting”</b>	27.**+	No business shall be transacted at any General Meeting unless a requisite quorum under the provisions of Section 103 of the Act be present at the commencement of the meeting.
<b>“Chairman of General Meeting”</b>	28.**+	The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman at a General Meeting, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is not willing to act as the Chairman, the Directors nominated by the Member, who has the right to nominate the Chairman at such point of time, may choose a Director from amongst them to act as Chairman failing which the Members present at such meeting shall choose a Chairman of the meeting.
<b>“Casting Vote”</b>	29.**	In the case of an equality of votes, whether on a show of hands or on a

poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote

## **XVII. BOARD OF DIRECTORS**

<b>“Management of the Company”</b>	30.**	The management of the Company shall vest in the Board of Directors.
<b>“Constitution of Board”</b>	31.**+	The Company shall have a Board of Directors comprising of not more than fifteen Directors and not less than three Directors.
	31.1**+	For so long as BGAPH and GAIL hold equal equity percentages, they shall have the right to nominate an equal number of Directors each. For so long as the Government of Maharashtra holds not less than 10% shareholding in the Company, it shall have the right to nominate one Director on the Board of the Company. Notwithstanding the above, the total number of Directors to be nominated by BGAPH and GAIL shall not exceed half of the strength of the Board.
<b>“Appointment of Nominee Director not to affect the rights of BGAPH and GAIL”</b>	32.**+	Any appointment of Directors to the Board at the request of financial institutions advancing loans to the Company shall not affect the rights of BGAPH and GAIL under Article 31.1**+ above.
<b>“Nominee Director of Financial Institutions”</b>	33.**+	In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject, however, to the limits prescribed by the Act. Any person so appointed may at any time be removed from office by the appointing authority who may from time of the death or resignation of such person, appoint any other in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification Shares.
<b>“Power to nominate Managing and Technical Director”</b>	34.**+	GAIL shall nominate the Managing Director of the Company and BGAPH shall nominate the Technical Director of the Company, all of whom shall serve on a non-retiring basis. The Managing Director shall have the substantial powers and responsibilities for the management of the Company as laid out in the Act, and shall function under the superintendence, control and direction of the Board
<b>“Retirement of Directors by rotation”</b>	35.**+	The number of Directors of the Company to be retired under the provisions of Section 152 of the Act shall be so computed so as to ensure that the nominee directors of BGAPH and GAIL are equally represented in such number.



<b>“Nomination of Chairman”</b>	36.**+	The Chairman shall be nominated by GAIL or BGAPH on a two(2) year rotational basis, the first Chairman being nominated by GAIL.
<b>“Power to remove and nominate Directors”</b>	37.**+	The nominees of BGAPH and GAIL shall hold office of Director in the Company at the pleasure of BGAPH and GAIL respectively. BGAPH and GAIL shall have the power to remove their respective nominees on the Board and to nominate another person in the vacancy thereby caused or caused in any other manner.
<b>“Sitting Fees”</b>	38.**+	Directors shall be entitled to receive the sitting fees as prescribed under the Act. The Directors shall also be paid traveling and other expenses for attending and returning from meetings of the Board (and its committees) (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. Subject to the provisions of the Act and other applicable law, in addition to or in substitution of the sitting fees, Directors may also be paid commission not exceeding the maximum permissible limit.
<b>“Responsibilities and Authorities of Technical Director”</b>	39.**+	Subject to the superintendence, control and direction of the Board and the Managing Director, the Technical Director shall have the responsibility and authority primarily in following matters. (a) Engineering Planning (b) Safety (c) Operations Support (d) Pipelines (Steel and Polyethylene) (e) Training (f) Standards and specifications (g) Research and Development
<b>“First Directors”</b>	40.**	The first Directors of the Company shall be : (1) Mr. C.N.H. Barker (2) Mr. S.E.A. Bensley (3) Mr. J.B. Stokes (4) Mr. P.S. Deodhar (5) Mr. B.S. Negi (6) Mr. C.R. Prasad
<b>“Appointment of Alternate Director”</b>	41.**+	Subject to the provisions of Sub section (2) of Section 161 of the Act, in the event that any Director (hereinafter referred to as the “Original Director”) is away for a continuous period of not less than three (3) months from India, the Board of Directors may appoint an Alternate Director for him.
	41.1**+	The person to be appointed as Alternate Director shall be selected by BGAPH or GAIL as the case may be for whose representation the Original Director was appointed and the said Alternate Director shall be considered for purpose of ascertaining the quorum under these

Articles and shall have all powers and responsibilities exercised by a Director of the Company.

**“Appointment of Additional Directors”** 42.\*\*+ Subject to the provisions of Sub section (1) of Section 161 of the Act, the Board shall have the power at any time and from time to time to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

**“Qualification Shares”** 43.\*\* A Director shall not be required to hold any qualification Shares.

### **XVIII. PROCEEDINGS OF THE BOARD**

**“Meeting of Directors”** 44.\*\*+ The Directors may meet as a Board for the dispatch of business from time to time, and at least four (4) such meetings shall be held in every year with a gap of not more than 120 days between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may be held in or outside India.

**“Notice of Board Meeting and form of Notice”** 45.\*\*+ At least seven (07) days notice of every meeting of the Board shall be given in writing to every Director present for the time being in India and at his usual address in India, and to every other Director, provided, however, that in the case of Directors residing outside India notice of every meeting of the Board shall also be given to such Directors at their addresses outside India and to their alternates, if any, in India at their usual addresses in India. So far as practical such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board, provided, however, that subject to the provisions of the Act and with the consent of all the Directors (including the alternate Directors, if any) present in India a meeting of the Board may be convened by a shorter notice in the case of an emergency or if special circumstances so warrant. Notice of Board Meetings to Directors resident outside India shall be given in writing by fax, email or other electronic means.

**“Quorum”** 46.\*\*+ The quorum for the Board of Directors shall be one-third (1/3) of the total strength of the Board for the time being or two (2) Directors whichever is more provided that there shall be no quorum unless at least one (1) Director nominated by each Member holding not less than 32.5% of the issued Shares in the Company is present, provided that if the meeting is not quorate due to absence of at least one Director nominated by each of the Members holding not less than 32.5% of the issued Shares in the Company, the meeting shall stand adjourned and a fresh notice would be issued for the adjourned meeting. All decisions of the Board shall be taken, to the extent possible on the unanimous basis. In the event such unanimity is not available on a particular issue after due deliberation and effort, the matter shall be decided by simple majority.

**“Power to summon a Meeting”** 47.\*\* A Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Board.

**“Language of Meeting and Minutes”** 48.\*\* Meetings of the Board shall be conducted in the English language and the Minutes of the Board of Directors meetings shall be recorded in writing in English.

<b>“Casting Vote”</b>	49.**	The Chairman of the Board of Directors meeting shall not be entitled to a second or casting vote.
<b>“Delegation of Powers to Committee or sub-committee”</b>	50.**+	The Board may subject to the provisions of the Act, and these Articles, delegate any of its powers to committees or sub-committees consisting of such Member or Members of their body as they think fit provided that every such committee or sub-committee shall, in the exercise of the powers so delegated confirm to any regulations that may, from time to time, be imposed by the Board. All acts done by any such committee or sub-committee in conformity with such regulations and in fulfilment of the purposes of their appointment, but not otherwise, shall have like force and effect as if done by the Board.
	50.1.**+	The representation of BGAPH and GAIL on any committee(s) or sub-committee(s) shall be computed in the same manner as their representation on the Board.
<b>“Regulation for Committee Meeting”</b>	51.**	The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board as far as the same are applicable thereto and are not superseded by any regulations made by the Board in accordance with these Articles.
<b>“Circular Resolution”</b>	52.**+	Save as otherwise expressly provided in the Act, and subject to Section 175 of the Act, no resolution by circulation shall be deemed to have been duly passed by the Board or by a Committee thereof unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the members of the Board including the Alternate Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee, at their usual address in India and has been approved by the affirmative vote of a majority of the Directors. In the event of the signature of any one or more of the directors to any such resolution shall be deemed to be passed on the date of signature of the Director signing last.
<b>“Postal Ballot”</b>	53.*+	The Board may, subject to the provisions of Section 110 of the Act, in case of resolutions relating to such business as declared by the Central Government by notification, or any other regulatory authority including the SEBI, to be conducted by postal ballot, shall, get any resolution passed by means of a postal ballot.
<b>“Interested Directors not to participate”</b>	54.**+	No Director shall, as a Director, take part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, connected with or interested in such contract or arrangement
<b>XIX. POWERS OF THE BOARD</b>		
<b>“Delegation of Powers”</b>	55.**+	Subject to Section 179 of the Act, the Board shall have the right to delegate any of their powers to such Directors, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

**“General Powers of the Board”** 56.\*\* The Board shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by Members in the General Meeting.

**XX. DIVIDENDS**

**“Interest on Calls in advance but no right to dividend”** 57.\*\* Where capital is paid up in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

**“Right to receive Dividend”** 58.\*+ Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto in accordance with the provisions of the Act the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Shares of the Company but so that a partly paid-up share shall only entitle the holders with respect thereto to such a proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.

**“Dividend to Registered Member”** 59.\*\* A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**“Unpaid or Unclaimed Dividend”** 60.+ Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within seven days of the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account”.

The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under Section 124 of the Act.

The Board shall forfeit no unclaimed or unpaid dividend.

**XXI. ACCOUNTS**

**“Books of Accounts”** 61.\*\*+ The Company will maintain separate satisfactory financial accounts and records in accordance with generally accepted accounting

principles, standards and practices as required by Indian law and in accordance with section 128 of the Act

**“Audit of Books of Accounts and Safety Audit”**

62.a.\*\*+

An audit of the books of accounts, records and affairs of the Company at the Company’s expense shall be made each year immediately following the close of the fiscal year and within requirements of the Act by an international firm of chartered accountants recommended by the Board and appointed by the Company. A signed English copy of the report of the annual audit shall be submitted to each member of the Board of Directors.

62.b.\*\*+

Either of BGAPH and GAIL will have the right at any time to carry out a safety audit to ensure compliance with the highest standards of safety and quality, as prescribed by international engineering societies of the U.K., Europe, the U.S.A., or equivalent societies, with due consideration for local geographical and environmental factors. Such inspections shall be carried out by BGAPH or GAIL as the case may be, or its nominee and shall be at the expense of BGAPH or GAIL. Findings of such inspections shall be immediately passed to the Technical Director, the Managing Director and the Board.

**XXII. SECRECY**

**“Secrecy Clause”**

63.\*\*+

Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

**XXIII. SEAL**

**“The Seal, its custody and use”**

64.\*\*+

The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be in the presence of and shall be signed by a Director and countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose, provided the certificates of Shares or Debentures (if any) of the Company shall be sealed and signed in the manner provided for by the Companies (Share Capital and Debenture) Rules, 2014 or any statutory amendment thereof for the time being in force. Subject to provisions of the Act, the Company may have a facsimile copy of the common seal for use as its official seal outside India.

**XXIV. INDEMNITY**

**“Indemnity to Directors**

65.\*+

Subject to the provisions of the Act, every Director, Managing Director, Manager or Officer of the Company shall be indemnified out

**and others”**

of the assets of the Company against all liabilities incurred by him as such director, manager, managing director, officer of which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. Nothing herein contained shall apply to the constituted attorney of the Company unless such attorney is or is deemed to be an Officer of the Company.

**“Responsibility of Directors and other Officers”**

66.\*

Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other directors or officers or for joining in any receipt or other act for conformity or for any loss or expenses incurred by the Company through the insufficiency or deficiency in title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upto which any of the moneys of the Company shall be invested, or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error or judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

**NOTES :**

- 1.(\* ) Insertion of new Article approved and adopted by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003 and (\*\* ) consequent upon the insertion of new Articles and deletion of the existing Articles 7, 8, 9 and 10 from the pre-amended Articles of Association, the serial number of Articles have been appropriately amended as approved by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003.
- 2.(\*\*\*) Insertion of an additional sentence at the end of Article No. 34 pursuant to the Special Resolution passed at the Annual General Meeting of the Shareholders of the Company held on August 08, 2012.  
  
Consequently Article 34 has been altered and modified appropriately.
- 3.(+ ) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on November 6, 2015.
- 4.(# ) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on March 30, 2016.