

HELPING **TRANSFORM** **INDIA'S** ECO-FUTURE



**MAHANAGAR
GAS**



**ANNUAL
REPORT
2015-16**



QUALITY



SAFETY



ENVIRONMENT

MGL

**TRANSFORMING LIVES THROUGH
SUSTAINABLE VALUES!**

We strive to be a responsible corporate by finding synergies between economic growth, environmental stewardship and socially responsible operations. Sustainability lies at the heart of our functions and it drives product innovation, reduce costs, mitigate risks and create business opportunities for long-term strategic growth.



VISION

To be a leading consumer-friendly gas Company
To provide safe, efficient & reliable energy
To contribute significantly for a pollution free environment



Letter from Chairman



Dear Shareowners,

During the financial year 2015-2016, the global economy had an uneven growth with a few developed economies demonstrating resilience. The world economy encountered challenges at many levels last year, these includes significant volatility, Eurozone instability, depression in crude oil and commodity prices, currency depreciation in emerging markets, and a lingering slowdown in China. The medium to long term economic outlook in India continues to look promising and it is heartening to see the Government's drive to continue to liberalise the economy. The Indian economy too faced challenges from slow agricultural growth with two consecutive poor monsoon leading to sharp contraction in exports. Winning over all odds, proactive steps and economic growth oriented policies of Government of India during the financial year 2015-2016, ensured India's gross domestic product (GDP) growth of 7.6% as compared to 7.2% in the previous year.

It is with great pleasure that I present Mahanagar Gas Ltd's Annual Report for the financial year 2015-2016. On the occasion of Twenty-first Annual General Meeting of your Company and on behalf of the Board of Directors, it gives me immense pleasure and satisfaction to share noteworthy performance of your Company for the fiscal Year 2015-16. The net operating revenue for the Financial Year 2015-16 was ₹2079 crores, as compared to ₹2095 Crores in the preceding Financial Year. Your Company also continued to maintain its profit growth. The Profit after Tax has achieved the level of ₹309 Crores, as compared to ₹301 Crores in the preceding Financial Year. Your Board has recommended a dividend of 175% i.e. ₹17.50 per equity share of ₹10/ each, for the financial year 2015-2016. It is also pertinent to mention that the peak gas sales in a day increased to 2.76 MMSCM from 2.65 MMSCM, which is 4% in excess over the previous financial year. Your Company has been constantly improving and performing excellently.

One major development which I would like to share, that your Company has successfully listed its equity shares with both the stock exchanges (BSE / NSE) on July 01, 2016 by way of diluting 25% stake by its promoters (GAIL & BGAPH) by way of offer for sale (OFS) of shares. I am glad to inform you that the issue was over-subscribed by around 64 times and as on date i.e. on August 26, 2016, the equity share of the Company is quoted at ₹596.30 (NSE) which is showing the market capitalisation of the MGL is more than ₹5,890 Crores.

Your Company has established its operations in one of the largest metro city of India. The ever expanding customer base coupled with large unserved population provides a strong growth opportunity. Over the next five years, your Company would focus on increasing the penetration in the current authorized geographical area through higher number of domestic connections and more CNG stations along with expeditious rollout of CGD infrastructure in the newly authorized Raigarh district.

Your Company is in the process of expanding the CGD network in the Geographic Area of Raigarh District (Maharashtra) authorized by the PNGRB with 300 months of infrastructure exclusivity and 60 months of marketing exclusivity commencing w.e.f. April 01, 2015.

Your Company is continuously screening opportunity to enter into new markets by participating in the bids invited by PNGRB for implementation of the CGD network across the country in upcoming CGD bid rounds of the PNGRB. Also, your Company is exploring various opportunities for inorganic growth such as equity stakes in other existing CGD entities. Your Company is looking for acquiring stake in other existing CGD entities having established markets. It is also pleasing to inform you that your Company is bidding for new geographical areas to set up and operate CGDs. Your Company also plans for new initiatives of Hybrid CNG / Diesel vehicles, CNG in two wheelers etc.

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The decision of the Government of India (GoI) allowing supply of domestic gas up to 110% of domestic gas allocation for CNG (transport) and PNG (domestic) segments of your Company is immensely helpful in maintaining competitiveness of CNG and PNG against competing alternate fuels. This dispensation of the GoI would enable your Company to meet fluctuation in demand and cater to most of the incremental demand in these segments from domestic gas supplies.

The ability to source market priced gas from all major sources through physical connectivity with GAIL's Dahej-Uran pipeline network and the large demand potential in the existing authorized areas of your Company, provides a tremendous scope for growth. A challenge before your Company would be to roll out its CGD infrastructure in a time bound manner to meet its regulatory targets in newly authorized Raigarh district covering over 6800 Square Km area consisting of diverse topography of rocky terrain and forest land.

Ladies and Gentlemen, it is seen that progress continues, but there is much more to do. While the challenge we face is formidable, and not to be underestimated, bringing your Company to the aspired level of success is important not only for shareholders but also for our customers, people, the society in which we operate, and to the industry as a whole, where we play a leading role.

Your Company being a people oriented organization has always focused on the development of its human capital. To realise this vision, our processes are implemented in a structured manner utilising time tested & globally accepted mechanisms. To highlight a few of the initiatives, your Company has established a competency framework and has conducted the Assessment and Development Centre for its middle and senior management. Your Company is very keen in developing the leadership competencies of their managers. There is a partnership with the best of the management institutes of India, such as IIM- Ahmedabad, Bangalore, Indore, & Kozhikode, which helps to develop the leadership in pipeline so as to meet the future talent needs.

Further, the opportunities are being provided to employees to upgrade and enhance their skills and knowledge through E-Learning initiatives wherein the employee can undergo a module at his / her convenience and as per choice. Apart from the above, more than 3 man-days of training per employee is being provided during the year which includes behavioural, technical, functional and skill workshops.

It is a matter of pride that your Company is providing an android based mobile application "MGLCONNECT" which enable the customers to leverage the latest technology available in the market to enhance their satisfaction through portability of use, ease of operation and time saving. Objective of your Company is to connect, communicate and care for all shareholders and customers on continuous basis. In coming days, your Company is focusing on enhancing automation of all processes with a view to achieve paperless office.

Your Company fosters the unwavering philosophy of taking care of the community for sustainable tomorrow. As of August, 2016, 50 students from extremely fragile economic background have been nurtured to face tough engineering entrance examination with success rate in excess of 90%. The Company has also created infrastructure supportive to education like science centres (5 schools), computer laboratory (2 schools), and other infrastructure (4 schools). Your Company is also contributing towards 'Skill India campaign' targeting skills augmentation of nearly 300 youths and is also contributing to various causes in alignment to national and global developmental agendas.

Before I conclude, I would like to take this opportunity to thank all of you for your continuous support and encouragement that has helped your Company to face all the challenges and achieve consistent growth in its business, while providing safe, competitive, efficient and reliable source of energy to our esteemed customers.

With warm regards,

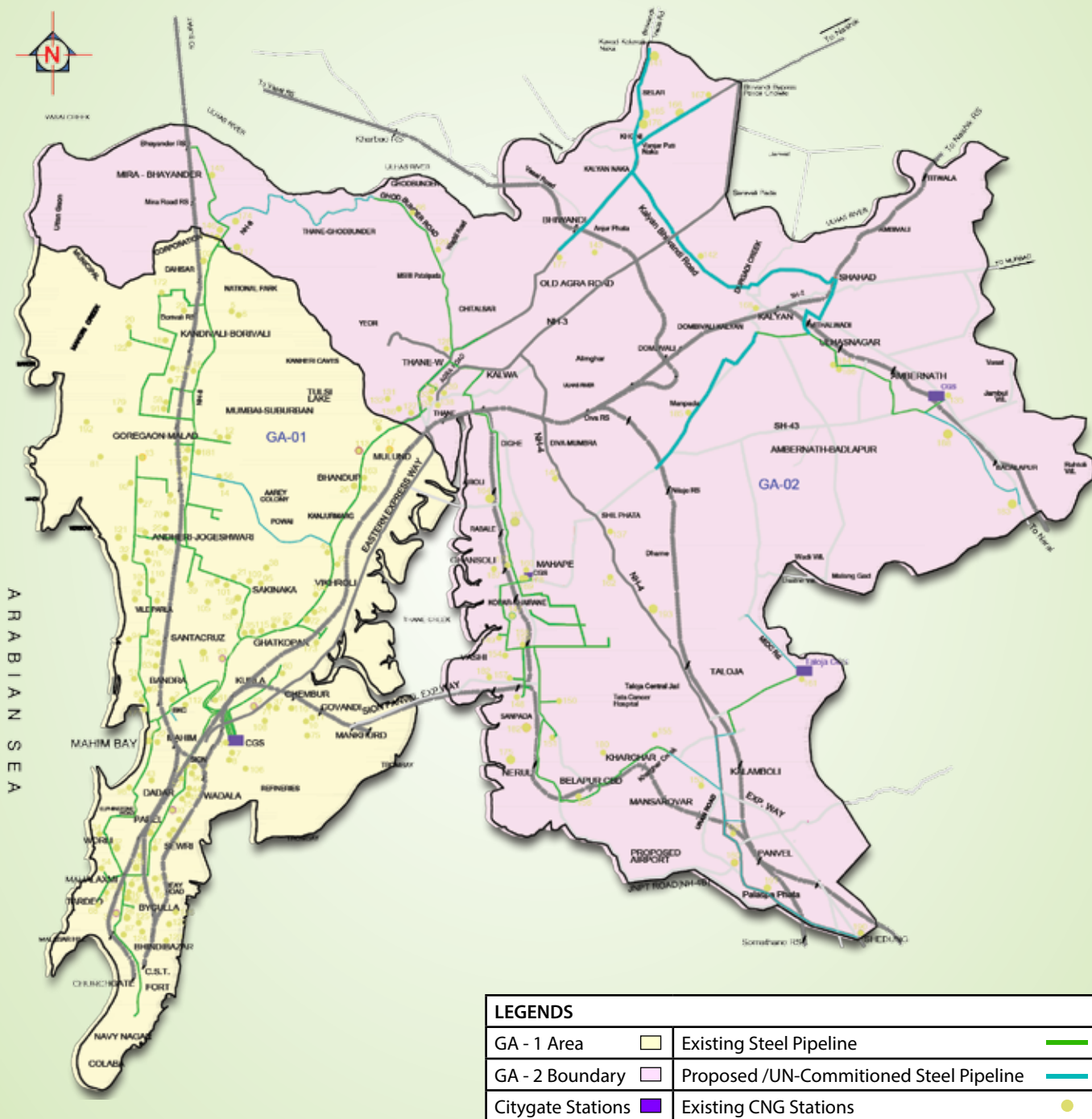


Dr. Ashutosh Karnatak
Chairman



Gas Distribution Network








Geographical Area (GA-1 and GA-2)



New Authorised Area for Gas Distribution Network (GA-3)



LEGENDS

- CA OR Taluka 
- MGL Proposed P/L 
- MGL un-commissioned P/L 
- MGL GA 03 Boundary 
- MGL Proposed CGS 
- Railway Lines 
- Water Bodies 

Building a Robust Network

MGL's CITY GATE STATIONS



WADALA



AMBERNATH



TALOJA



MAHAPE

BOARD OF DIRECTORS



Dr. Ashutosh Karnatak
(Chairman)
(w.e.f. May 28, 2015)



Mr. Shaleen Sharma
(Chairman)
(upto May 27, 2015)



Mr. M. Ravindran
(Director)
(upto May 27, 2015)



Mr. Apurva Chandra
(Director)



Mr. Akhil Mehrotra
(Director)
(w.e.f. March 11, 2016)



Mr. Nitin Banerjee
(Director)
(upto February 12, 2016)



Mr. Rajeev Mathur
(Managing Director)



Ms. Susmita Sengupta
(Technical Director)



Mr. J.K. Jain
(Director)



Mr. Arun Balakrishnan
(Director)



Mr. Santosh Kumar
(Director)



Dr. Basudeb Sen
(Director)



Mr. Raj Kishore Tewari
(Director)

OTHER KEY MANAGERIAL PERSONNEL

Mr. S. M. Ranade
Chief Financial Officer

Mr. Alok Mishra
Company Secretary

HIGHLIGHTS

- Over 13 lakh customers covering over 65 lakh people being supplied PNG & CNG in and around Mumbai.
- Supplying CNG to over 4.70 lakh vehicles through a network of over 190 CNG outlets.
- CNG filling facility at 17 depots for over 3300 public transport buses run by BEST, MSRTC, TMT, NMMT providing pollution-free travel to the citizens.
- Daily reduction of over 1300 tonnes of pollutants in Mumbai with the use of CNG.
- Largest length and breadth of above 400 Km steel & 4000 km PE pipeline spread across Mumbai and its adjoining areas.
- Implementation of GIS mapping and SCADA system for efficient control and monitoring of the entire network.
- Securing Gas supply network by setting up a network of City Gas Terminals at strategic locations in the area of operation.
- Successful public listing of MGL on Stock Exchange
- All CNG auto and taxi drivers (above 2 lakh) provided insurance cover against accidental death or disabilities under MGL's unique insurance scheme - "Mahasuraksha Yojna".
- Contributed in rehabilitation of families of three martyrs of 26/11 terror attacks by handing over operatorship of 3 CNG stations.
- Won the Golden Peacock Award, Rashtra Vibhushan Award, 5th Annual Greentech CSR Award, Pt. Madan Mohan Malviya CSR Award & BT CSR Excellence Award.
- Won 6th Annual Greentech HR Excellence Award 2016 for training and development.
- Successful Re-certification of ISO14001:2004 - Environmental Management System.
- Nurtured 20 underprivileged students through 11 months rigorous training. 4 students were admitted into IITs and others initiated process for admission into NIT.
- Reaching out to the customers through a network of 7 walk-in centers across the operational area.
- Enhancing customer centric approach by registering presence on social media and mobile app 'MGL Connect'.

