

## Notice



# Mahanagar Gas Limited Mumbai

Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051  
CIN: L40200MH1995PLC088133 | Tel No. +91 22 6678 5000 | Fax: +91 22 2652 8925  
Website: www.mahanagargas.com | E-Mail: info@mahanagargas.com

To,  
The Members

**NOTICE** is hereby given that the **Twenty-Fourth Annual General Meeting (AGM)** of the Members of **Mahanagar Gas Limited** will be held on Monday, September 09, 2019 at 11.00 a.m. at "Rangsharda Auditorium", Krishna Chandra Marg, Near Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai 400 050, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹9.50 per equity share, already paid and to declare the final dividend of ₹10.50 per equity share for the financial year ended on March 31, 2019.

### SPECIAL BUSINESS:

3. Retiring Director position not to fill.

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

**"RESOLVED THAT** Mr. Satish Gavai (DIN: 01559484), a Director liable to retire by rotation, who vacated in compliance of Section 167(1)(b) of the Companies Act, 2013 and being not eligible for re-appointment as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up."

4. Ratification of Cost Auditors' remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules thereunder (including any statutory modifications and re-enactments thereof for the time being in force) the remuneration payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Registration No. 30) re-appointed by the Board of Directors as cost auditors to conduct the audit of cost records maintained by the Company for the financial year ending March 31, 2020 being ₹3,45,000/- (Rupees Three Lacs Forty Five Thousand only) plus applicable taxes and reimbursement of Out of Pocket expenses that may be incurred by them in connection with the aforesaid audit, be and is hereby ratified.

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

5. To approve Material Related Party Transactions.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions 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 earlier resolution passed

by the Shareholders in 23<sup>rd</sup> Annual General Meeting held on September 17, 2018, 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:

| Sr. No. | Name of the Related Party   | Relationship          | Nature of Transaction  | Maximum value of transactions                                   |
|---------|---|-----------------------|--|---|
| 01.     | GAIL (India) Limited  | Promoter              | Agreements entered / to be entered for purchase and transportation of gas. | ₹2,500 Crores (for the financial year ending on March 31, 2021) |
| 02.     | BG India Energy Solutions Private Limited   | Promoter Group Entity |  |   |
| 03.     | Shell Energy India Private Limited (formerly known as Hazira LNG Private Limited) |                       |  |   |
| 04.     | Shell India Markets Private Limited   |                       |  |   |
| 05.     | Shell Energy Marketing and Trading India Private Limited                          |                       |  |   |

**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."

6. To appoint Dr. Ashutosh Karnatak (DIN: 03267102) as Director.

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

**"RESOLVED THAT** pursuant to the provisions of Section 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Ashutosh Karnatak (DIN: 03267102), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, as recommended by the Nomination and Remuneration Committee and Board of Directors, be and is hereby appointed as

Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

7. To appoint Mr. Deepak Sawant (DIN: 07339381) as Director.

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 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Deepak Sawant (DIN: 07339381), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, as recommended by the Nomination and Remuneration Committee and Board of Directors, be and is hereby appointed as Director of the Company."

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8. To appoint Mr. Deepak Sawant (DIN: 07339381), Whole-Time Director, designated as Deputy Managing Director.

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

**"RESOLVED THAT** pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or reenactment(s) thereof, for the time being in force), subject to such other consents and permission as may be necessary, and such modifications, variations as may be approved and acceptable to Mr. Deepak Sawant, the consent of the members be and is hereby accorded for the appointment and terms and conditions of remuneration of Mr. Deepak Sawant (DIN: 07339381), Whole-Time Director, designated as Deputy Managing Director of the Company with effect from May 09, 2019 until further orders from GAIL (India) Limited, for a term not exceeding 5 years at a time in compliance with the provisions of the Companies Act, 2013 and on such terms and conditions as set out in Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors."

9. To appoint Mr. Trivikram Arun Ramanathan (DIN: 08035390) as Director.

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

**"RESOLVED THAT** pursuant to the provisions of Section 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Trivikram Arun Ramanathan (DIN: 08035390), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, as recommended by the Nomination and Remuneration Committee and Board of Directors, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation."

By Order of the Board  
For **Mahanagar Gas Limited**

**Anand Upadhyay**  
Company Secretary & Compliance Officer

Place: Mumbai  
Date: August 08, 2019

**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 9 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Pursuant to the provisions of Section 105 of the Act, 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.
4. 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. Considering the amendment in the Regulation 40 of "SEBI LODR" all the shareholders who continue to hold shares in physical form are advised to get the shares in Dematerialized as it is mandated that transfer of securities would be carried out in dematerialized form only. The investors are requested to contact to the Registrar & Transfer Agents in order to complete the process.
5. 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.
6. 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.
7. 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.
8. **The Company strongly believes in green initiatives and in pursuance of the same Members are requested to provide their e-mail id or update their existing email id with the Company to enable the Company, communicate with the Members in a better, eco-friendly and faster way.**
9. The Board of Directors, in its meeting held on January 29, 2019, had declared an Interim Dividend of ₹9.50/- per equity Share of the face value of ₹10/- each, on the paid-up Equity Share Capital of the Company, for the Financial Year 2018-19 and was paid to all eligible shareholders as on record date i.e. February 08, 2019.
10. 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 02, 2019.
11. 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.

## Notice

12. 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.
13. Pursuant to the provisions of Section 91 of the Act, the register of members and share transfer books of the company will remain closed from Tuesday, September 03, 2019 to Monday, September 09, 2019 (both days inclusive).
14. Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared at the Annual General Meeting, will be paid within a period of 30 days from the declaration, as under:-
  - a) Whose name appears as Beneficial owners as at the end of business hours on Monday, September 02, 2019 in the list of Beneficial owners to be furnished by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) in respect of the shares held in electronic form; and
  - b) Whose name appear as members in the Register of Members of the Company after giving effect to valid shares transfer in Physical form lodged with the Company/its Registrar & Share Transfer Agent on or before the closing hours on Monday, September 02, 2019.
15. Dividend will be preferably paid through National Electronic Clearing Service (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.
16. To ensure timely credit of dividend through National Electronic Clearing Service (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 Registrar and Share Transfer Agent of the company, in case of shares held in physical mode, on or before Monday, September 02, 2019.
17. 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.
18. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
19. 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)
20. 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 LODR", 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.
21. The Board of Directors has appointed Mr. Lalit K. Jain, Practicing Company Secretary (Membership No. F1903) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
22. The facility for voting through polling paper/tablet 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.
23. 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.
24. Shareholders are requested to send their share transfer and all other requests and complaints to Link Intime India Private Limited at the following address:

C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai - 400083, Maharashtra.

## Notice

25. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
  26. As per Rule 3 of Companies (Management and Administration) Rules, 2014, Register of Members of the Company should have additional details pertaining to e-mail, PAN / CIN, UID, Occupation, Status, Nationality. We request all the Members of the Company to update their details with their respective Depository Participants in case of shares held in electronic form and with the Company's RTA in the case of physical holding, immediately.
  27. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary, at the Company's Registered Office. Members are requested to note that dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
  28. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
  29. No compliment or gift of any nature will be distributed at the Meeting.
  30. The instructions for e-voting are as follows:  
 Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
 Step 2: Cast your vote electronically on NSDL's e-voting system.
- Details on Step 1 is mentioned below:**
- How to log in to NSDL e-voting website?
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
  3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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**Manner of holding shares i.e. Your User ID is:  
Demat (NSDL or CDSL) or Physical**

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- |  |   |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.            | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
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## Notice

5. Your password details are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c) How to retrieve your 'initial password'?
      - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step 2 is given below:**
- How to cast your vote electronically on the NSDL e-voting system?
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of company i.e. "Mahanagar Gas Limited" which is 111267.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [lkjcs@yahoo.com](mailto:lkjcs@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



## Notice

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The e-voting period commences on Friday, September 06, 2019 (9:00 a.m. IST) and ends on Sunday, September 08, 2019 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on cut-off date of Monday, September 02, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. Monday, September 02, 2019, may obtain his 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.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
5. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. Monday, September 02, 2019. 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/ poll paper.
6. Mr. Lalit K. Jain, Practicing Company Secretary (Membership No. F1903) 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.
7. 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.nsdl.com](http://www.evoting.nsdl.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.
8. 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 scrutinizer, by use of polling paper/tablet 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. 3

Mr. Satish Gavai (DIN 01559484), based on nomination received from Government of Maharashtra, has been appointed as Director of the Company, with effect from July 31, 2018, liable to retire by rotation and due for re-appointment in the Annual General Meeting, was not able to attend any of the Board meetings held during the preceding 12 months commencing from July 31, 2018.

As per the provisions of Section 167(1)(b) of the Companies Act, 2013, the office of a director shall become vacant if he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board.



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Owing to the aforesaid disqualification, in compliance of Section 167 (1) (b) of the Companies Act 2013, the Board does not recommend the candidature of Mr. Satish Gavai for the said re-appointment.

In absence of fresh nomination from Government of Maharashtra, Board recommends not to fill the aforesaid vacancy.

Accordingly, the Board recommends the ordinary resolution as set out in Item No. 3 for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise in the said resolution at Item No. 3 of the Notice.

### Item No. 4

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors in its meeting held on May 09, 2019, had approved the appointment of M/s. Dhananjay V Joshi & Associates, Cost Accountants (Registration No. 30) on the recommendation of the Audit Committee to conduct audit of cost records of the Company for the financial year 2019-20 at a remuneration of ₹3,45,000/- (Travelling and Out of Pocket expenses to be paid on actual basis) plus taxes as applicable, subject to ratification of remuneration by the shareholders.

M/s. Dhananjay V Joshi & Associates have the necessary experience in the field of cost audit, and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provision of Section 148 of the Act read with Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the members is being sought for the proposal of ratification of remuneration to payable to the Cost Auditors, as contained in the Resolution set out in Item No. 4 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested financially or otherwise in the said resolution at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of this Notice for approval of the Members.

### Item No. 5

GAIL (India) Limited ("GAIL") is the largest state-owned gas transmission and marketing company in India and your Company purchases a substantial requirement of the 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 RLNG for its additional requirement through an approved competitive bidding mechanism from gas suppliers such as GAIL (India) Limited (GAIL), BG India Energy Solutions Private Limited (BGIES), Shell Energy India Private Limited (SEIPL) (formerly known as Hazira LNG Private Limited), Shell Energy Marketing and Trading India Private Limited (SEMTIPL), 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/term sheet with GAIL, BGIES, SEIPL, SEMTIPL, GSPCL, BPCL, HPCL, IOCL 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following entities may be treated as Related Parties for purchase of gas:-

## Notice

- i. GAIL (India) Limited
- ii. BG India Energy Solutions Private Limited
- iii. Shell Energy India Private Limited (formerly known as Hazira LNG Private Limited)
- iv. Shell India Markets Private Limited
- v. Shell Energy Marketing and Trading India 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 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.

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;                                  | <ol style="list-style-type: none"> <li>1. GAIL (India) Limited, Promoter</li> <li>2. BG India Energy Solutions Private Limited, Promoter Group Entity</li> <li>3. Shell Energy India Private Limited (formerly known as Hazira LNG Private Limited), Promoter Group Entity</li> <li>4. Shell India Markets Private Limited, Promoter Group Entity</li> <li>5. Shell Energy Marketing and Trading India Private Limited, Promoter Group Entity</li> </ol>   |
| 2 | Name of the Director or Key Managerial Personnel, who is related.                          | <p>Dr. Ashutosh Karnatak, Chairman</p> <p>Mr. Sanjib Datta, Managing Director</p> <p>Mr. Deepak Sawant, Deputy Managing Director</p> <p>Mr. Trivikram Arun Ramanathan, Director</p>  |
| 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 GAIL (India) Limited. MGL purchases domestic gas through Government allocation of domestic Gas for CNG and Domestic PNG customers. MGL purchases SPOT RLNG through board approved process of competitive bidding system. Accordingly, Company has entered into various agreements with GAIL (India) Limited (GAIL), Shell Energy India Private Limited (SEIPL) (formerly known as Hazira LNG Private Limited), BG India Energy Solutions Private Limited (BGIES) and Shell Energy Marketing and Trading India Private Limited (SEMTIPL) for purchase and transportation of natural gas.</p> |