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CHAIRMAN'S SPEECH



Dear Shareholders,

It gives me immense pleasure to communicate with you for the first time since assuming charge of Chairman. It is indeed a great privilege for me to present the report of the performance of your company for the year 2017-18.

On behalf of Board of Directors, I welcome you all to this 12th Annual General Meeting of your company. As the Directors Report and audited Annual Accounts of the company has been circulated to all of you, I take it as read. Since inception, Maharashtra Natural Gas Limited (MNGL) has grown leaps and bounds registering impeccable growth from year to year. Today MNGL has transformed the lives of 'Punekars' who have immensely benefitted by the cheaper and clean fuel over the past 12 years.

Over the years, the Company has been delivering excellent results on all fronts and I am pleased to state that this year too, we have sustained that trend. MNGL has recorded an all-time high profit after tax of Rs.105.71crores during 2017-18. The Board has declared a dividend of 30% this year, the highest ever in the history of the Company. Further, I am delighted to bring to your notice that during 2017-18, the turnover of MNGL is at Rs.663.49 crore as against Rs 537.97 Crores, registering a growth of 23.33%. I would like to express my gratitude to you for your support.

Your Company continues to witness steady growth in sales volume, backed by growing CNG and PNG distribution network. The overall sales volume increased by 17.71% as compared to the previous year,

The sale of CNG was 148.05mmscm in 2017-18 as against 131.94mmscm in 2016-17 registering a growth of 12.21%. Growth in PNG sales was 30.32% (74.96 mmscm in 2018 as against 57.52 mmscm in 2016-17). Your Company has maintained its focus on the Industrial and Commercial segment as one of the potential growth areas in the forthcoming years. Total nos. of Industrial Customers have increased from 124

nos in March 2017 to 152 in March 2018 & Commercial Customers have increased from 169 in March 2017 to 260 in March 2018. Currently the Company is servicing more than 1.84 Lakhs CNG vehicles through 19 Daughter Booster Stations and 33 Online Stations. With increase in compression capacity and increase in CNG & PNG customer base, the average sale per day has increased from 0.519 mmscmd in FY 2016-2017 to 0.610mmscmd in FY 2017-2018.

Your company is continuously expanding its network in both the CNG and PNG segments. We have added 10 new CNG stations during the year. As on 31st Mar'2018, your Company is operating with 52 CNG stations in its allotted Geography.

We have strengthened our marketing activities for PNG, Your Company has provided PNG connection to around 1,03,014 domestic customers till 31st Mar'2018 including addition of 52,163 customers during the financial year 2017-18 and continue to increase greater coverage for domestic customer across Pune.

City Gas Distribution is one of the most happening and challenging business in the present scenario of Oil & Gas sector. With immense pride, I would like to inform you that, in response to the IX bidding round conducted by PNGRB, your company participated and bid for four geographical areas and are successful in getting three Geographical areas namely Nasik, Dhule & part of Valsad, second is Sindhudurg District and third is Ramnagara District. It is, indeed, a significant milestone on the journey of MNGL, proving yet again, that the Company will continue to create and surpass various benchmarks and accelerate into the realm of exceptional performers. In the coming years MNGL plans to invest heavily in infrastructure to support the growing PNG and CNG demand in Pune and three new GAs.

The steady growth of your Company has been the result of strong all round performance by the dedicated force of our employees, vendors & contractors along

with the excellent support received from local administrations.

MNGL converted its bill payment mechanism on digital platform by introducing credit card payments and ATM at its CNG stations. The Company has tied up with Paytm to overcome the problems faced after demonetization and thereafter emphasis on digital payment continued, Presently 80% of PNG payments received are cashless.

MNGL remains committed for ensuring safety of all employees and contractors at all our sites. Your Company identifies all the Health, Safety and Environment hazards, evaluates the associated risks and manages these through effective and appropriate control programs and deployment of latest technology

In compliance with CSR policy your Company actively participated in various CSR projects in association with local NGOs & other Organizations and imparted vocational skills to poor and needy. Organized health checkup camps for 1200 auto rickshaw drivers in Pune city, donated one Scorpio vehicle to “Janakalyan Blood Bank” along with Blood Transportation Unit. Assisted Sassoon hospital for installing “Central Monitoring Surveillance System” at each ICU. Contributed for constructing “Iconic Toilet” for PMPML employee near Shivaji nagar with the help of M/s. Sprout Architect. Donated “Sanitary Vending & Disposal Machine” to Saraswati Vidya Mandir, Talegaon, “Sewing Machine” to Gyanjyoti Matimand Mulanchi Shala, “Water Purifier and Cooler” to Pragati Vidya Mandir etc.

Before I conclude, on behalf of Board of Directors, I take this opportunity to place on record the appreciation for valuable contribution made by Smt. Vandana Chanana, Shri I.S. Rao, Smt. Padmini Khare Kaicker and Shri E. S. Ranganathan during their tenure as Board Members. I sincerely acknowledge the support extended by Promoters (GAIL & BPCL), I also acknowledge the support provided by Indraprastha Gas Limited & MIDC. I would also like to thank Central and State Government, PMC, PCMC Cantonment Boards, Regulators, Vendors, Financial Institutions and other stake holders for their continued support and co-operation for our aspiration to expand clean and green environment.

I would also like to put on record our appreciation for Mr. Rajesh Pande, Independent Director, MNGL for his

valuable contribution and support in getting the government land at Balewadi, Pune allocated to MNGL for constructing our Corporate office and CNG station.

On behalf of the Board, I also record my profound appreciation to all employee for their untiring and exceptional contribution constantly in shaping together the future of your company.

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

As the Directors Report and audited Annual Accounts of the company has been circulated to all of you, I take it as read.

Thank you

A handwritten signature in blue ink, appearing to read 'R. P. Natekar'.

R. P. Natekar
Chairman



Bankers

STATE BANK OF INDIA

HDFC BANK

AXIS BANK

CORPORATION BANK

YES BANK LTD.

ICICI BANK

IDFC BANK

INDUSIND BANK

Statutory Auditor

M/s Kirtane & Pandit, LLP

Chartered Accountant

5th Floor, 'A' Wing, Gopal House
S.No. 127/1B/1, Plot A1,
Opp Harshal Hall, Kothrud,
Pune - 411029

Cost Auditor

M/s M R Pandit & Co.

Cost Accountants

E-7, Lake Town City Bibwewadi,
Pune - 411037

Secretarial Auditor

M/s MRM Associates

Company Secretaries

1st Floor, Dnyan Sudha Apartments
77, Vijaynagar Colony,
2147, Sadashiv Peth, Pune - 411030

Company Secretary

Mr Ashok Devarajan (upto 12.03.2018)

Ms. Shreya Prabhudesai (w.e.f. 17.12.2018)

Registered Office

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

CIN NO.

U11102PN2006PLC021839

Board of Directors



Ms. Vandana Chanana
Chairperson (upto 31/8/2018)



Shri. R.P. Natekar
Chairman



Shri. A. M. Tambekar
Managing Director



Shri. Santosh Sontakke
Director (Commercial)



Shri. I.S. Rao
Director



Shri.E.S. Ranganath
Director



Shri. Ashim Batra
Director



Shri. A. B. Misal (IAS)
Director



Shri. Rajesh Babulal Pande
Independent Director



Ms. Padmini Khare Kaicker
Independent Director

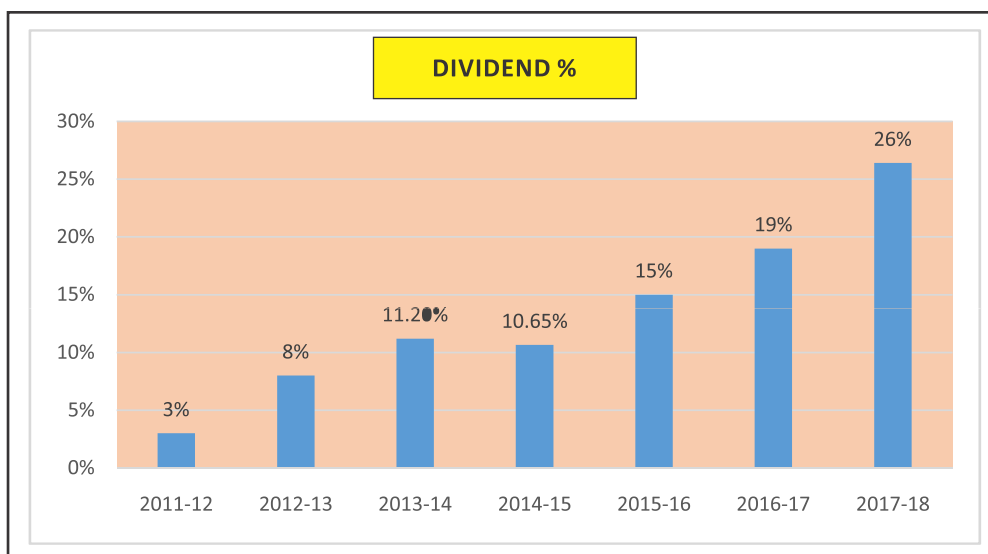
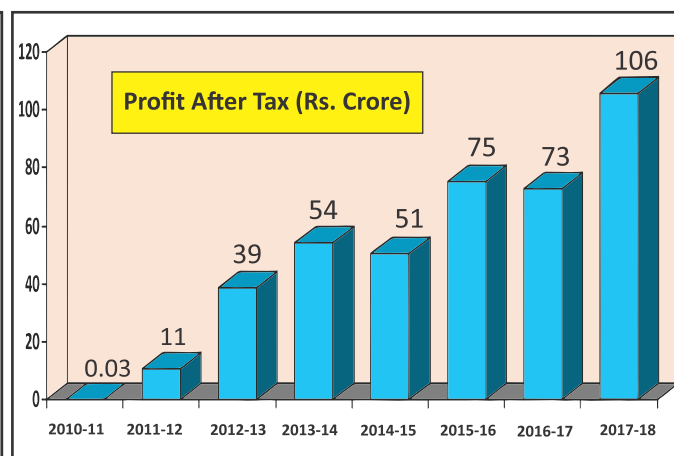
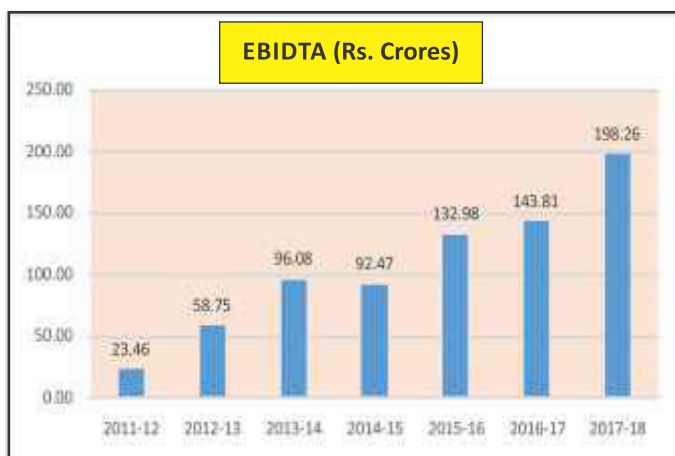
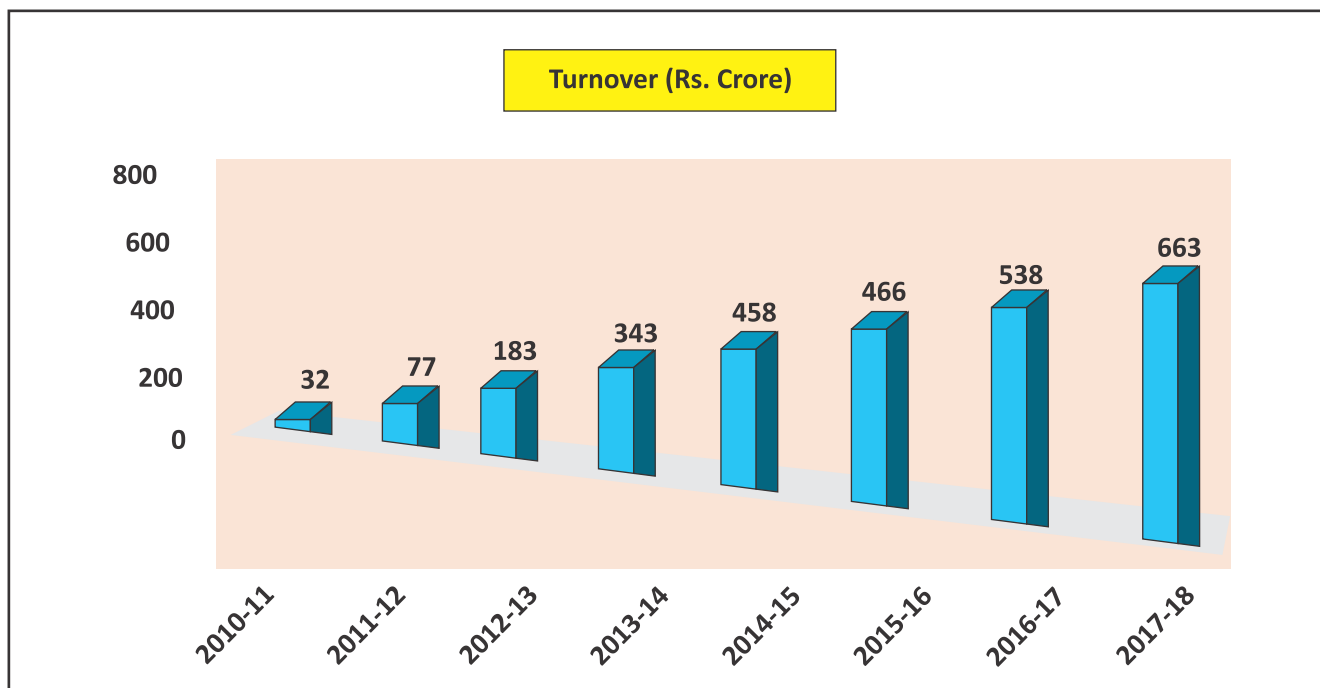


Shri. Deepak Kumar Mukadam
Independent Director



MAHARASHTRA NATURAL GAS LIMITED

FINANCIAL PERFORMANCE AT GLANCE



DIRECTORS' REPORT

To,

The Members,

Your Directors take pleasure in presenting the Twelfth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2018.

1. FINANCIAL REVIEW

During the FY 2017-18, your Company has achieved the turnover of Rs.663.49 Crores, registering a growth of 23.33% over previous year. During the FY 2017-18, the Profit after tax increased to Rs.105.71 Crores and EBITA of the Company increased to Rs.221.31 Crores from Rs.165.57 Crores.

The Financial results for the year ended March 31, 2018 are summarized below:

Particulars	For the Year	
	2017-18 (Rs. in Crores)	2016-17 (Rs. in Crores)
Net Sales	663.49	537.97
Other Income	0.50	0.77
Profit before Depreciation and Tax	198.26	143.81
Depreciation & Amortization of Expenses	32.99	29.86
Profit before Tax	165.27	113.95
Provision for Tax including deferred tax	59.56	41.37
Profit after Tax	105.71	72.58
Profit brought forward from previous years	214.91	186.49
Profit available for appropriation	320.62	259.07

APPROPRIATIONS

Interim Dividend	-	10.37
Proposed Final Dividend	26.40	8.77
Corporate Dividend Tax	5.43	5.17
Transferred to General Reserve/carried forward	288.79	232.19

Net worth per share has increased from Rs. 31.49 in 2016-17 to Rs.41.01 in 2017-18 signifying sound return on investment coupled with sizeable amount of profit ploughed back into the business.



MAHARASHTRA NATURAL GAS LIMITED

2. APPROPRIATIONS

DIVIDEND

Your Company is consistently distributing the dividend from FY 2011-12.

The Board of Directors has recommended a final Dividend of Rs. 2.64 par Equity share (i.e. 26.4% of the paidup equity share capital of Rs. 100 Crores) for the Year which is 30% of PAT amounting to Rs. 31.83 Crores. including Dividend Distribution Tax of Rs. 5.43 Crores.

The payment of final dividend, after your approval at this Annual General Meeting, will be made in accordance with the regulations applicable at that time.

3. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 95.23 crores to the Reserves, thereby enhancing the total reserves upto Rs. 310.14 Crores.

7. COMPANY PERFORMANCE

During the year, the Company recorded sales as under:

4. FIXED DEPOSITS

We have not accepted any Deposits within the meaning and in excess of limits prescribed under Companies Act, 2013 read with Companies acceptance of Deposits Rules, 2014, as such, no amount of principal or interest payment was outstanding as on the Balance Sheet date.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

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

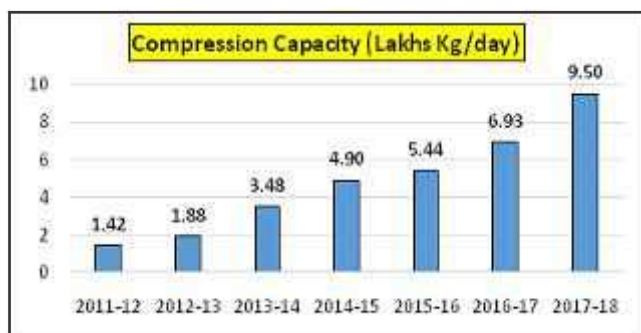
The Paid up Share Capital remained at Rs. 100 crores.

(Figures in mmscm)

Particulars	For the Year		
	2017-18	2016-17	% Growth (YoY)
Compressed Natural Gas (CNG)	148.05	131.94	12.21
Piped Natural Gas (PNG)	74.96	57.52	30.32
Total	223.01	189.46	17.71
Average Sales per day (mmscmd)	0.611	0.519	17.71

a. Compressed Natural Gas Business (CNG)

During this year 2017-18 CNG business has performed very well. Your Company further augmented its CNG distribution infrastructure by enhancing capacity of existing stations and adding 10 new CNG stations – taking the total number of CNG Stations to 52 at the end of the FY. Additionally, 4 Daughter Booster stations were converted to Online on account of pipeline connectivity being established to the stations. The cumulative compression capacity has increased to 52950 scmh during 2017-18 from previous year's cumulative compression capacity of 39300 scmh (35% increase).



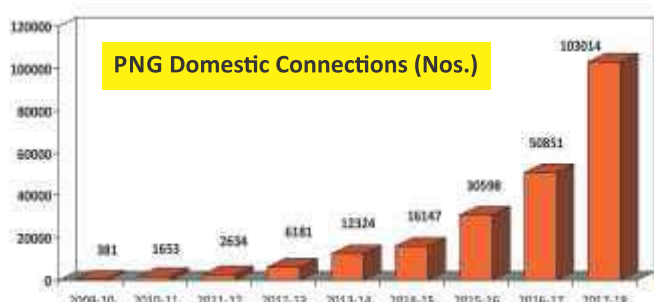
The number of vehicles operating on CNG by 31st March, 2018 were 1,84,988 showing a YoY growth of around 32%. Your Company currently refuels around 1229 Buses, around 1,33,428 Four wheelers and 50305 Three wheelers in addition to few vehicles from the Municipal Garbage Department, contract carriage minibuses, school buses, delivery vans and the Postal Department of around 26 nos.

b. PNG – Domestic Connections

During this year 2017-18 company has continued the expansion of Piped Natural Gas distribution infrastructure in various areas of PMC and PCMC. Your Company has increased its steel pipeline network from

196 kms in FY 2016-17 to 216 kms in FY 2017-18 and its MDPE network from 824 kms in FY 2016-17 to 954 kms in FY 2017-18.

During the year, your Company provided 52, 163 Connection PNG and the total number of connections went up from 50,851 in March 2017 to 1,03,014 in March 2018. It is noteworthy that your Company provided 52,163 domestic PNG connections in Financial Year.



2017-18 which is the highest ever PNG connections in a single year. The increase in customer base from networked areas, societies was achieved with the help of aggressive multi-media marketing, publicity drive, combined with print & popular FM channels, which enabled your Company to tap additional customers from areas which were already gasified by formation of dedicated online PNG domestic team.

Your Company has increased its focus on 24 X 7 customer care centre for customer query/complaints redressal and additional call centre has also started for reducing the waiting time. The grievances are being monitored through CRM system and efforts are made to provide the resolution within defined timelines.

To enhance payment collection mode, your Company has started accepting payments through various option like E-Wallets, NEFT, QR Codes, Debit Card / Credit Card, Net Banking, Paytm etc. Collection of smart meter reading is carried out through customized mobile application wherein photograph of meter installed at customer location is captured for improving billing accuracy. Your Company is also in process of improving the existing smart meter reading application with enhanced features. Apart from this, your Company is in process of introducing unique concepts like spot billing, self-billing, prepaid meters etc. to enhance further customer satisfaction.



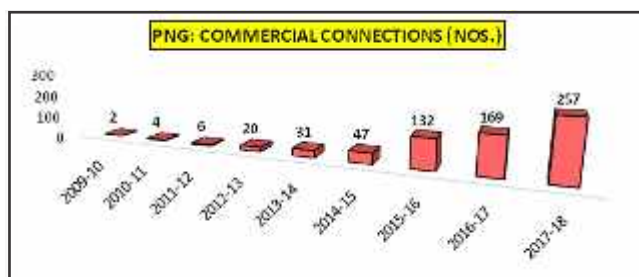
c. Industrial Connection:

- Industrial customers have increased from 124 Nos in March 2017 to 152 Nos in March 2018. Your company has connected 28 industrial customers (23 % growth in number of customers) with peak load gas consumption of 75000 SCMD, which is the highest number of customers connected in single FY till date. It is likely to increase with more conversion of boilers, furnaces, heat treatment equipment's, Industrial ovens, Power generation through Gas based Generators, Industrial canteens for employees etc.
- Large corporates like Mahindra Gears ,Minda UNO, TATA CD, KION Tenneco etc was converted on natural gas. Your company has also converted Pradeep Polyflex ,Eskay Engichem , Pooja Casting major Furnace Oil users to Natural gas in March 2017-18 thereby helping the environment from reduction in Industrial pollution.
- Customers like Pack time, Altech, Arka Aluminum are also some of the prestigious high volume customers converted by your company during 20-20 which will give regular high volume growth in coming years.
- Industrial Sales volume has grown up by 26 %(135 Lakhs SCM /Year, average consumption was 2.15 Lakhs SCMD /300 working days Or addition of 51000 SCMD/300 days) over the previous year. Since most of the high volume customers are connected during last fourth quarter of the year and some customers are going to connect in first quarter of FY 2018-2019, the higher revenue impact will be seen from next financial year onwards when customers will start full consumption of gas and stabilize their production on the new fuel.
- The Company continues to expand its network to reach various Industrial units in the surrounding areas. Your company is actively working with more than 50 customers to be connected in FY 2018-2019 for which pipeline network laying and aggressive marketing is taken up .

CNG-Industrial:

Your company promoted sale of CNG Industrial Business to supply Natural gas through cascades to customers where there is no pipeline connectivity As on date to convert the customer on natural gas and

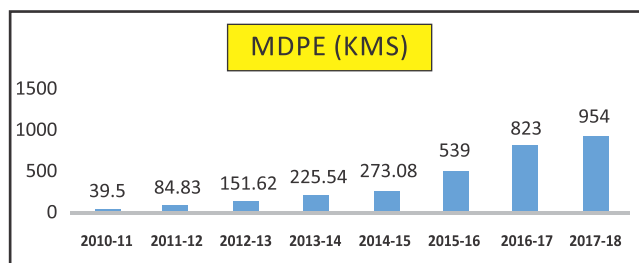
avoid captive investment for alternative fuels, these customers will be converted to PNG whenever pipeline network reaches their premises in near future. This has helped your company to utilize its existing compression capacity and generate revenue by additional volume. CNG Industrial volumes have increased 149% (increase of 4.53 Lakh SCM in FY 2017-2018 over FY 2016-2017). Your company will continue to make efforts to bring more customers under CNG Industrial supply in future also and will create more compression capacities to cater this business potential.



Your company closely work with nearby Compressed Bio Gas units to supplement supply to Industrial customers. During the closure of their plant or in case of shortfall if any your company supplies CNG to the end customer to sustain continuity of supply.

8 FUTURE OUTLOOK

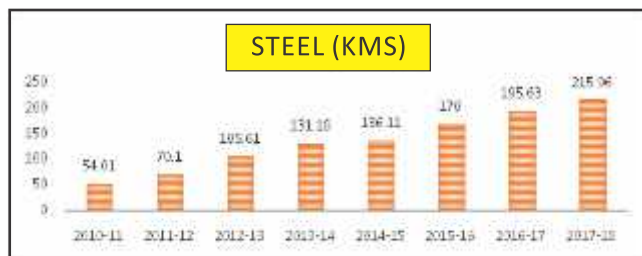
India has been registering a sustained growth in terms of demand for natural gas and its outlook towards sourcing LNG from global supply destinations has been nothing less than promising. All the same, the government's plan to double the share of natural gas in India's energy mix from 6.5% to 15% over the medium term goes well with the positive perception of India's outlook towards developing its gas market.



Strong alternate fuel segment consumption growth and regulatory & policy push for City or Local Gas distribution projects by GOI/MoPNG gives significant leverage to future natural gas penetration via CGD, LNG Terminals and Gas Pipelines.

India's natural gas consumption is currently driven by through CGD. Business Your Company understands

this fully and hence participated aggressively in the 9th round of CGD bidding conducted by Petroleum & Natural Gas Regulatory Board (PNGRB) recently and secured three new Geographical Areas namely Nashik-Dhule-Valsad (Part) Districts and Sindhudurg District in Maharashtra and Ramanagara District in Karnataka.



Your Company plans to make a significant investment in CGD infrastructure (PNG & CNG) at above GAs to expand steel & PE pipeline network by an additional 300 Kms of Steel and 800 Kms of MDPE over the next 5 years.

In order to achieve Government's mission of connecting 1 Crore PNG Domestic connections by 2020, guidelines have been issued for allowing the development of PNG network into defence establishments across the country. Further, Public Sector Undertakings have been advised to have the provisions of PNG in their residential complexes.

In CNG, MNGL is intending to expand its CNG customer base & serve them effectively by setting up 20 more CNG stations in addition to conversion of existing DBS to online stations and thus increasing the compression capacity in the next 5 years. The city bus service provider of Pune - PMPML is also aggressively increasing its fleet of CNG buses and plans to add another 400 new CNG buses in a progressive manner. Introduction of newer CNG variant models by different vehicle manufacturers & conversion of petrol driven private vehicles into CNG mode due to the price differential of CNG versus alternate liquid fuel will continue to add CNG sales. More CNG vehicles are added by private fleet owners like OLA and UBER in the city and increase in the Mumbai – Pune CNG fleet taxi will help MNGL to maintain the growth in CNG segment. MNGL is aggressively working with Private Fleet owners to have more CNG run vehicles.

MNGL is continually interacting with major builders and developers to provide PNG facility in their upcoming residential projects. Builders like Amit Enterprise, Kumar Properties, Nanded City, Kolte Patil,

Ishwar Parmar Group, Empire Builder, Paranjpe Developer, Pride Purple Group, Behrey-Rathi Group, GK Associates and many others are expected to add approximately 3 Lakh domestic Households in the next 5 years. This will help your company to optimize use of its assets and infrastructure.

The Company has aggressive plans to expand its pipeline infrastructure in the areas of Undri, Pisoli, Ambegaon, Kondhva, NIBM road, Baner, Balewadi, Bibavewadi, Yerwada, Vishrantwadi, Cantonment areas, Hadapsar etc. in PMC and Wakad, Ravet, Thergaon, & Hinjewadi etc. in PCMC.

MNGL is targeting to achieve a daily sales volume of 2.5-3.0 Lakh scmd from industrial and commercial customers in the next 2 years. The Company would be shortly finalizing deal with large scale private customers like Serum Institute- new plant at Manjri, Bharat Forge at Hadapsar and Tetrapak which are expected to contribute to MNGL's growth for assured rise in industrial segment. Company plan to connect another 50 industrial customers during next FY and exploring possibility of connecting Industrial customers of Pragati Industrial area Chakan and Urse Industrial area by putting steel pipeline network. Company plan to connect 100 number of commercial customers on existing charged line to increase daily sales volumes.

MNGL is also supporting other Industrial customers by way of supplying CNG in cascades from its various CNG filling facilities in Pune in the areas where pipeline connectivity in near future is not feasible or areas out of GA. MNGL want to grow in this segment as this will help more industries to convert on gas with assurance of consistent supply from MNGL.

9. REGULATORY DEVELOPMENTS

Regulatory Regime

Petroleum and Natural Gas Regulatory Board (PNGRB) governs the City Gas Distribution business with its various framed regulations. PNGRB has carried out several amendments in the regulation before the start of 9th round CGD bidding which may have impact on the day to day business operations of a CGD entity.

The PNGRB (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008 might pave the way for new entrants in our authorized



geographical area to conduct the natural gas business as this sector has been widely attracting established investors/entities to invest.

The regulatory control on the consumption of polluting fuels (Ban on consumption of Furnace Oil and Petcoke in North Indian states only) may restrict the growth of PNG business in Industrial Segment as an alternate fuel and calls for stringent norms on pollution regulations.

10. TOWARDS CUSTOMER DELIGHT

It is the corporate culture of MNGL to be customer centric in its approach, moreover CGD being a customer centric business it is imperative on part of the company to provide the services which would give maximum satisfaction to its customers. But the goal of MNGL is not merely to satisfy its customers but they should be delighted with services of the Company, steps are being taken to give maximum delight to its customers which will pave way for repeat business, customer loyalty and which would maximise profits for the company. A customer-centric company is more than a company that offers good service.

In line with above approach we have taken some initiatives like forming of Customer Care desk in Chinchwad, Kothrud, Vimannagar to facilitate customer service. Also we have started Facebook & Twitter accounts for getting customers feedback & suggestion for improving our services.

Customer are communicated at each stage for their registration acceptance, BP (Business Partner) Creation, Bill Payment Received, Bills Generation through SMS/Letters/Emails.

Our total approach will be to make customer's life easy & make process Customer Centric. The following steps are also being taken to maximise the customer delight:

- Bulk SMS information to all category customer started for bill generation, due date, BP generation and gas stop intimation started
- Automatic e-bill generation and communication on registered customer mail Id is activated thru SAP
- Call Centre have dedicated billing desk fully equipped to handle billing related enquiries and faster resolving complaints.
- Customer can view their bills online with their BP numbers and pay through various modes of

payment.

- Virtual customer account started with AXIS bank for Industrial and commercial customer for more convenient depositing of payment and traceability.
- More efforts are made towards encouraging customer for going digital mode of payment.

MNGL regularly conducts awareness programs on the concept of "Clean fuel & Green fuel" at various housing societies and industrial houses in and around Pune city to have better penetration of CNG & PNG at the deeper pockets of Pune and adjoining areas.

11. INFORMATION TECHNOLOGY

We are pleased to announce that MNGL have successfully implemented the enhancements in SAP like SAP GST, auto SMS, Auto Email notification for multiple new Domestic plans with new Pricing procedure for CNG Stations. This has helped your company to standardize the processes and to operate smoothly in its area of Business.

We are also implemented the Active Directory, User end point backup Solution with the new Development of MNGL's Dynamic Website with new web base Billing Applications for Online registration & Payments. This has helped your company to digitalize & automate the processes and to operate smoothly in its area of domestic customer Business.

12. HUMAN RESOURCES

Your Company considers people as its biggest assets and 'Believing in People' is at the heart of its human resource strategy. Your Company has put concerted efforts in talent management, employee engagement, performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. During the year, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow.

With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its

employees and seeks to ensure that MNGL values and principles are understood by all and are the reference point in all people matters.

A major thrust is laid on constant two-way communication, free flow of thoughts and mutual growth Continue Statement Led by the MD, DC and enunciated across levels, communication has led to a marked change in labour-management relations in recent years.

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

For greater connect and welfare of the families of employees, the Company has organized various events which includes expert health counseling for employees' & their family members, Annual day celebration with family, Women's day celebration and attractive rewards for innovators & participants.

13 HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company's HSE policy is strengthened further by adopting Safety as its core value of the company. Business Processes and manpower /equipment are further strengthened to conduct business with a proper Health, Safety and Environment (HSE) Management System to make it accident free workplace. STC training is imperative part of HSE management at MNGL. It provides undeviating knowledge to work safely in all of its business operations. Every contract worker for MNGL get trained on safety precaution in his respective area. Practical exercise and Hazard Identification and Risk Assessment are the key component of the STC training. STC training ensures every working site is incident and injury free site. A special mobile training Van is used to facilitate on the spot training at site and housing society safety awareness. More than 2100 persons were trained in this FY

HSE performance is everyone's responsibility and each one of us has a duty to intervene to prevent unsafe actions and to reinforce good behavior through demonstrating HSE leadership. Regular Safety Audits by fire and safety team are carried out to ensure safety in all facets of Company's operations. Tripartite agreement between projects, O&M and Safety is regularly implemented to facilitate commissioning of major installations.



(Closing ceremony of National Safety Week 2018 Mr. Sontakke Director Commercial, Mr. Milind N. CGM, present on dias)



Offsite Mock Drill Debriefing Session In Presence Of DMO Pune Collectorate

Hazard and near miss reporting has been implemented to take preventive actions. Internal Safety audit by multidisciplinary team was carried out in accordance with the requirement of PNGRB. Six Emergency Control rooms are already established at strategic locations across PMC, PCMC and Chakan and manned round the clock to respond quickly to any gas leak or emergency situation. Offsite mock drill was successfully conducted leading to ERDMP recertification of MNGL response plan in presence of PNGRB approved agency for five years. In this way, we adopt systematic approach to have HSE management to ensure compliance obligation with national law.

Safety awareness is key part of HSE management. First aid training, CNG safety awareness & Clinic, Mock drill and participation in road show was carried out during the safety Week 2018. Closing of Safety Week & Distribution of Prizes in presence of Industrial health safety Director Mr. Sunil Thackeray & Industrial health safety Joint Director Sandeep Londe (PCMC)



Working At Height Training –level-1



Offsite Mock Drill At Sheetal Station Kondhwa

CGD Network Safety

One of the primary concerns with respect to gas distribution is the safety and security of the pipeline network. We at MNGL are committed to ensure that our Gas Supply Assets are designed, constructed, operated & maintained safely throughout their working life. This is achieved by:

- Application of the national codes & standards including T4S (PNGRB).
- The use of industry best practices in corrosion protection (TCP & PCP)
- Utilizing effective techniques and systems to prevent failures by identifying hazards, potential consequential failures and undertaking necessary mitigation actions through CP monitoring.
- Ensuring all personnel required to work on the network are trained and competent, regular patrolling and appointing excavation supervisor at critical sites.
- Involvement of all stakeholders in Dial Before Dig campaign in form of multi utility coordination through meeting and whatsapp groups.
- Adoption of IMS as per PNGRB guidelines and successful accreditation.

1. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year the Company had launched following CSR projects with the help of local NGOs & other Organizations:

- Provided employment enhancing vocational skills to poor and needy people through National Yuva Co-op Society Ltd.
- Organized health check camps for auto rickshaw drivers in Pune city through Hind Shakti Social Foundation.

- Donated Scorpio Car equipped with the blood transportation unit to Janakalyan Blood Bank in order to meet the Blood need to maximum possible far away areas.
- Contributed for installing Central Monitoring Surveillance System at each ICU in Sassoon Hospitals.
- Construction of Iconic Toilet for PMPML bus stop, Shivajinagar with the help of M/s. Sprout Architect in under process and is almost near to complete.
- Undertaken Talegaon Project includes donation of Sanitary Vending and disposal Machine to Saraswati Vidya Mandir, Talegaon, Sewing Machine to Gyangangotri Matimand Mulanci Niwasi Shala, Dhayari Gaon, Water Purifier and cooler to Pragati Vidya Mandir etc.
- Conducted football clinics through Nurturing Excellence in Sports Trust, to young women from rural areas to inculcate spirit of gender equality among aspiring young footballers from the rural areas of Pune.

The Corporate Social Responsibility Policy developed during 2014-15 is already in place and same is displayed in the website of the Company as required under section 135 of Companies Act, 2013. There is an unspent balance of Rs. 44.91 lakhs which has been carried forward.

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

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 is appended as Annexure "B"

16. PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration exceeding the limits set out under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

17. DIRECTORS RESPONSIBILITY STATEMENT :

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013, directors, to the best of their knowledge and belief state that:

- In the preparation of Annual Accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed.
- They had selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities; and
- They had prepared the Annual Accounts for the Financial Year ended 31st March, 2018 on a going concern basis.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

18. CORPORATE GOVERNANCE

Corporate governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. It is imperative that Company's affairs are managed in a fair and transparent manner. Therefore, at MNGL we follow the best practices of Corporate Governance Board of Directors is at the core of our Corporate Governance and oversees how the Management serves and protects the long term interest of the Stakeholders.

1. AUDITORS:

• Statutory Auditors & Audit Report

The Statutory Auditors of your Company is appointed by the Comptroller & Auditor General of India (C&AG). M/s Kirtane&Pandit, LLP,



Chartered Accountants (WR 0028) were appointed as the Statutory Auditors for the Financial Year 2017-18.

The Statutory Auditors have been paid a remuneration of Rs. 5 Lakhs towards audit fee. The above fees are exclusive of applicable service tax and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

The Report given by the Statutory Auditors on the financial statements for FY 2017-18 & the Comments of Comptroller & Auditor General of India (C&AG) forms part annual Report

● **Cost Auditors**

During the year 2017-18 the cost audit is under preparation by the Cost Auditor M/s. M R Pandit & Co., Cost Accountants. On receipt of the report same would be placed before the Board for approval.

● **Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, Your Company had appointed M/s. MRM Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report confirming compliance by Practicing Company Secretary to applicable provisions of the Companies Act 2013 and other applicable laws forms part of this report as "Annexure C" to this Report.

2. EXTRACTS OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure D".

3. RELATED PARTY TRANSACTIONS:

There is no material related party transactions made by the company which may have potential conflict with interest of the company at large hence AOC-2 is not enclosed with the Report.

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

The Nomination and Remuneration Committee meets on quarterly basis playing significant role in

determining qualification, positive attributes, independence of a director, remuneration to Directors, Key Managerial Personnel for their appointment. During the year besides assessing the performance of the Executive and non-Independent directors also played a significant role in framing HR policy, determining performance incentives to the employees, Revision of scales of the employees and promotion of Managerial personnel.

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

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

5. MANAGERIAL REMUNERATION:

The Executive and Whole-time Directors of the company are paid remuneration as per their respective contracts which are approved by the Board after taking into consideration the recommendations made by Nomination & Remuneration Committee.

The Independent Directors and Non- Executive Directors are paid sitting fees of Rs. 20,000/- per Board Meeting and Rs. 10,000/- per committee meeting for attending the meetings.

6. RISK MANAGEMENT POLICY

During the financial year 2017-18 the Company has adhered to the Risk Management System including the Risk Policy & identification of the Risks set the during last financial year and followed the laid down set of standards, processes and structure which enables to implement internal financial control across the organization and ensure.

The management of your company has understood and analyzed all the risks existing or proposed to exist in future and tries to mitigate the same in adherence to all the rules.

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

http://www.mngl.in/risk_management_policy.html

7. WHISTLE BLOWER POLICY:

The whistle blower policy of your Company has robust framework which encourages people to report breach of contract, negligence and manipulation of Company records, financial irregularity etc.

Your Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment.

The company accepts the obligation to ensure that any individual covered under this policy, who make a disclosure without malice and in good faith is protected from unfair treatment.

During the current year, your company has not received any complaints against any employee or member of the organization.

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

http://www.mngl.in/whistle_blower_policy.html

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries, Joint venture and Associate companies as on 31st March, 2018.

9. DISCLOSURES:

a. Board of Directors

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

During the year, following directors/Key Managerial Personnel were appointed on the Board of MNGL:

12.07.2017

Shri Santosh Sontakke was appointed as Director (Commercial) and CFO Pursuant to Shareholder's agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules thereunder and pursuant to Article 142 of the Articles of Association of the Company.

03.07.2018

Shri R. P. Natekar (DIN 07858989) Nominee Director representing Bharat Petroleum Corporation Ltd., and also being appointed as Chairman on 17th December, 2018 pursuant to Shareholder's agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules thereunder and pursuant to Article 127 of the Articles of Association of the Company.

17.12.2018

Shri Rajiv Sikka (DIN: 06819112) Nominee Director representing IGL Pursuant to Shareholder's agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder.

17.12.2018

Shri Sanjay Kumar, Nominee Director representing GAIL (India) Ltd. Pursuant to Shareholder's agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder.



17.12.2018

Shri Abhishek Krishna, Nominee Director representing MIDC Pursuant to Shareholder's agreement, Sections 149,151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder.

17.12.2018

Miss Shreya Anant Prabhudesai, (ICSI Membership No. 48866) a qualified Company Secretary is appointed as Company Secretary till the appointment of senior Company Secretary is made as the CS & Chief Manager Shri Ashok Devrajan resigned from the company on 12.03.2018.

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

09.06.2017

Shri J. Vedgiri (DIN 06943165) ceased to be Director (Commercial) & CFO from June 09, 2017 on account of withdrawal of his nomination from Bharat Petroleum Corp. Ltd.

22.03.2018

Shri Annasaheb B Misal, Joint CEO of Maharashtra Industrial Development Corporation vacated the office of Director of MNGL as per the provisions of Sec. 167(1)(b) of the Companies Act, 2013 since he absents himself from all the Board Meetings held during the period of 12 Months since appointment with or without seeking leave of absence.

27.03.2018

Smt. Padmini Kaicker, Independent Director ceased to be Director from the Board with effect from March 27, 2018 on account of superannuation of the term.

31.08.2018

Ms. Vandana Chanana was ceased to be Director and Chairman and a Nominee Director representing Gail(India) Ltd., on account of superannuation of the term.

25.06.2018

Shri I.S. Rao, Nominee Director of BPCL ceased to be Director from the Board w.e.f. from June 26, 2018 on account of resignation received from him.

17.12.2018

Shri E. S. Ranganathan, Nominee Director representing Indraprastha Gas Limited ceased to be Director on account of resignation.

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors during their association with your Company. None of the Directors are disqualified from being appointed as Directors in term of provisions of Companies Act, 2013.

b. Compositions:

The Company has Eight Directors on its Board comprising two Executive Directors Namely Managing Director and Director (Commercial), two Non-Executive & Independent Directors and four Non Executive Nominee Directors. The composition and category of Directors along with other Directorships as on March 31, 2018 are as under:

Sl. No.	Name of Directors	Executive/Non-Executive	Directorship in other public company /Independent
1.	Ms.VandanaChanana (DIN:0007238012)	Chairman & Nominee & Non-Executive Director (from.25.10.2016 till 31.08.2018)	Gail Gas Limited
2.	Shri I S Rao (DIN: 02350683)	Nominee & Non-Executive Director (w.e.f 18/09/2017)	1. Sabarmati Gas Limited 2. GSPL India Transco Ltd. 3. GSPL India Gasnet Limited 4. Central U P Gas Limited 5. Goa Natural Gas Ltd.,
3.	Shri Ashim Batra (DIN:7173368)	Non-Executive Nominee Director (w.e.f 18.09.2017)	Nil
4.	Shri A.M.Tambekar (DIN: 06877323)	Managing Director (w.e.f 17.03.2015)	Nil
5.	Shri Deepak Kumar J Mukadam (DIN-00716932)	Independent Director (w.e.f 22.04.2015)	Jaybee Steel Treathers P Ltd.
6.	Shri Santosh Sontakke (DIN: 07836490)	Director Commercial (w.e.f. 12.07.2017)	Nil
7.	Shri E.S.Ranganathan (DIN: 07417640)	Non-Executive Nominee Director (w.e.f 03/06/2016))	Indraprastha Gas Limited
8.	Shri Rajesh Babulal Pande (DIN: 02219538)	Independent Director (w.e.f 28.03.2015)	1. Seva Software P Ltd 2. Kovida Skill Development orporation 3. Ayushglobal Medicare LLP



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C. Board Meetings :-

Pursuant to the provisions of Section 173 of the Companies Act, 2013 and rules made thereunder, every Company shall hold a minimum of four meeting of its Board of Directors every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

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

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	No. of Meetings held	No. of meeting attended
1	Ms. Vandana Chanana (DIN:0007238012)	Chairman & Nominee & Non-Executive Director (w.e.f.25.10.2016 till 31.08.2018)	7	4
2	Shri A.M.Tambekar (DIN: 06877323)	Managing Director (w.e.f 17/03/2015)	7	6
3	Shri I S Rao (DIN: 02350683)	Nominee & Non-Executive Director (w.e.f 18/09/2017)	7	6
4	Shri J.Vedagiri (DIN: 06943165)	Director Commercial (retired on 23.06.2017)	2	2
5	Shri Santosh Sontakke (DIN: 07836490)	Director Commercial (w.e.f. 12.07.2017)	6	6
6	Shri Ashim Batra (DIN:7173368)	Non-Executive Nominee Director (w.e.f 18.09.2017)	7	6
7	Shri A.B.Misal (DIN: 0007682376)	Non-Executive Nominee Director (vacated office on 22.03.2018)	7	0
8	Shri E.S.Ranganathan (DIN: 07417640)	Non-Executive Nominee Director (w.e.f 18/09/2017)	7	5
9	Shri Deepak Kumar J Mukadam (DIN-00716932)	Independent Director w.e.f 22.04.2015	7	6
10	Ms. Padmini Khare Kaicker (DIN: 00296388)	Independent Director (retired on 27.03.2018)	7	5
11	Shri Rajesh Babulal Pande (DIN: 02219538)	Independent Director (w.e.f 28.03.2015)	7	6

During the Financial Year 2017-18, total 7 Board meetings were held. Details of aforesaid meeting are provided in following table:

Sl. No.	Date of Meeting	Place of Meeting
1	2/5/2017	Meeting Room No. 5, Hotel Trident, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051.
2	12/7/2017	Meeting Room No. 5, Hotel Trident, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051.
3	4/8/2017	Meeting Room No. 5, Hotel Trident, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051.
4	18/09/2017	Hyatt Regency, Weikfield, IT Park, Nagar Road, Pune- 411014.
5	4/1/2018	BPCL, Shanti Building, BPCL Bhavan, 4&6, Currimbhoy Road, Ballard Estate, Mumbai- 400001.
6	7/3/2018	Oberoi Hotel, Nariman Point, Mumbai- 400021.
7	16/03/2018	GAIL Bhavan, 16 Bhikaji Cama Place, New Delhi – 110066.

D. General Meeting

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

Sl. No.	No. of Meeting	Date of Meeting	Place of Meeting
1	9th AGM	30.09.2015	Registered Office, Shivaji Nagar, Pune
2	10th AGM	19.09.2016	Registered Office, Shivaji Nagar, Pune
3	11th AGM	18.09.2017	Registered Office, Shivaji Nagar, Pune



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Attendance of Directors in the last Annual General Meeting held on 18th September, 2017 is as under:

Sl. No.	Name of Directors	Executive/Non-Executive/Independent	Attendance at the Meeting
1	Smt. Vandana Chanana	Chairman & Non-Executive Director	Yes
2	Shri A.M.Tambekar	Managing Director	Yes
3	Shri Santosh Sontakke	Director Commercial	Yes
4	Shri Ashim Batra	Non-Executive Nominee Director	Yes
5	Shri E.S.Ranganathan	Non-Executive & Non Independent Director	No
6	Shri I. S. Rao	Non-Executive & Non Independent Director	No
7	Shri A. B. Misal	Non-Executive & Non Independent Director	No
8	Shri Deepak Kumar Mukadam	Independent Director	Yes
9	Ms. Padmini Khare Kaicker	Independent Director	No
10	Shri Rajesh Babulal Pande	Independent Director	Yes

E. Key Managerial Personnel

- Pursuant to Section 203, 196 & 197 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 following changes taken place in case of following persons to act as Key Managerial Personnel (KMP) of the Company :-
- Shri A.M. Tambekar - Managing Director
 - Shri Santosh Sontakke - Chief Financial Officer w.e.f. 12.07.2017
 - Shri Ashok Devarajan - Company Secretary resigned w.e.f. 12.03.2018

Declaration of Independence

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

In compliance of above provisions, the Board received the declaration from the Independent Directors i.e. Ms. Padmini KhareKaicker, Shri Rajesh Babulal Pande and Shri Deepak Kumar Jamsaheb Mukadam confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

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

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

i. Audit Committee

The Terms & Reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, which inter alia includes overseeing the Company's financial reporting process and the disclosure of its financial information; reviewing with the management, the quarterly and annual financial statement before submission to the Board for approval; reviewing with the management the performance of Statutory and Internal Auditors, adequacy of internal control system.

The present composition of the Audit Committee of the Board of Directors as on 31.03.2018 is as under:

SL.No.	Members of Committee	Designation
1	Smt. Padmini KhareKaicker	Chairperson & Member (Independent Director)
2	Shri E.S.Ranganathan	Member (Non-Executive Non-Independent Director)
3	Shri Rajesh Babulal Pande	Member (Independent Director)

- During the year 2017-2018, six meetings of the Audit Committee were held.

II. Nomination and Remuneration Committee

The Terms & Reference of the Nomination & Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and composition is as follows:

SL.No.	Members of Committee	Designation
1	Shri I.S.Rao	Chairman
2	Smt. PadminiKhareKaicker	Member-(Independent Director)
3	Shri Rajesh Babulal Pande	Member (Independent Director)

- During the year 2017-2018, five meetings of the Nomination and Remuneration Committee was held.



III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee was constituted as per provisions of section 135 of the Companies Act, 2013 as on March 31, 2018 was as under:

SL.No.	Members of Committee	Executive/Non-Executive / Independent
1	Shri I S Rao	Member (Non-Executive Director)
2	Shri Deepak Kumar Jamsaheb Mukadam	Member (Non-Executive and Independent Director)
3	Ms.VandanaChanana	Member (Non-Executive Director)

- During the year 2017-2018, 2 meetings of the Corporate Social Responsibility Committee were held.

H. Formal Annual Evaluation:

The Board of Directors carried out the evaluation of every Director, committees of Board and the Board as a whole based on the laid down criteria of performance evaluation.

I. MANAGEMENT DISCUSSION AND ANALYSIS

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

J. GENERAL:

I. SIGNIFICANT AND MATERIAL ORDER

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

II. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(I) and other applicable provisions of Companies Act, 2013, save as aforesaid in this report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e. 31st March, 2017 and the date of this report.

K.DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE

The following is a summary of Sexual harassment complaints received and disposed-off during the calendar year.

Number of complaints received	:	Nil
Number of complaints disposed-off	:	Nil

L. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018

Shareholding Pattern of the Company as on 31st March, 2018 is as follows:

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

M . ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their appreciation and sincere thanks to the Ministry of Petroleum and Natural Gas, Petroleum and Natural Gas Regulatory Board (PNGRB), Government of India, Government of Maharashtra, Banks, Other Statutory and Local Government Bodies, Statutory Auditors, Consultants and local citizens for the continued co-operation and unstinted support extended to the Company.

The Directors also record their appreciation to its promoters, GAIL (India) Limited, Bharat Petroleum Corporation Limited and dominant share holder Indraprastha Gas Limited for their support.

The Directors place on record their deep appreciation towards its valued customers for their co-operation, patronage & support and look forward to the continuance of this relationship in future also.

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

The Directors also sincerely acknowledge the contributions made by all the employees of MNGL for their dedicated services to the Company.

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

Place: Mumbai
Date: 17th Dec. 2018

Sd/-
R. P. Natekar
Chairman



ANNEXURE- "A"

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:-

Maharashtra Natural Gas Limited (MNGL) through its CSR policy desires to improve the quality of the life of the citizens of Pune and adjoining areas through their various CSR projects involving healthcare, education and environment sustainability initiatives.

During the year the Company had launched many CSR projects with the help of NGOs and other organizations for imparting employment enhancing vocational skills for poor and needy people, health care camps for auto rickshaw drivers, contributed for installing Central Monitoring Surveillance System at each ICU in Sassoon Hospital, Constructed Iconic Toilet for PMPML bus stop, Shivajinagar with the help of M/s. Sprout Architect etc.

The contents of CSR Policy of MNGL are displayed on MNGL's website at:
http://www.mnpl.in/csr_policy.html

During the Financial Year 2014-15, 2015-16 & 2016-17, MNGL has made a profit before tax of Rs. 77.89 Crores, Rs. 117.20 Crores & Rs. 117.93 crores respectively. Hence the total amount (i.e. 2% of average profits of the last three years) required to be spent on CSR would be around Rs. 2 Crores 08 Lacs.

2. The Composition of the CSR Committee as on 31.03.2018:-

- a. Shri. I S Rao - (Chairman)
- b. Shri. Deepak Kumar Jamsaheb - (Member)
- c. Ms. Vandana Chanana - (Member)

3. Average profit (PBT) of the company for last three financial years under Sec 198 of Companies Act, 2013:- Rs. 104.34 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):- Rs. 2 Crore 08 lacs

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

(a) Total amount to be spent for the financial year- Rs. 2.08 Crores

(b) Amount unspent, if any- Rs. 44.91 lakhs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Lacs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or program (2) Overheads(in Lacs)	Cumulative expenditure upto to the reporting period(in Lacs)	Amount spent : Direct or through implementing agency*
1	Contributed for establishing Science & Technology Park	Ensuring Environment sustainability, ecological balance [Schedule VII(iv)]	Pune	5.60	5.60	5.60	Amount paid through NEFT to Science and Technology Park
2	Vocational training activities	Employment enhancing vocational skills & Empowering women (Schedule VII (ii))	Pune	45.00	45 .00	45 .00	Amount given to National Yuva Co-operative Society (NYCS)
3	Health Check - ups of the Rickshaw Drivers	Promoting health Care including Preventive health care [Schedule VII(i)]	Other (Central)	35.80	35.80	35.80	Amount paid to Hind Shakti Social Foundation
4	Contribution to Rural Sports and women empowerment	Schedule VII(vii) training to promote rural sports, nationally recognized sports, Paralympic sports & Olympic sports& Gender equality and women empowerment	Pune District	10	10	10	Amount given to Nurturing Excellence in sports trust



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5	Supply and installation of Electrical work and Plumbing at Nootan Prathamik Vidyamandir	Promotion of education including special education (Schedule V (ii))	Kondwa Road, Pune	0.51	0.51	0.51	Amount paid to Indira Electricals for Electrical & Plumbing work at School
6	Sassoon Hospital –for Installing Central Monitoring Surveillance System unit at ICU	Schedule Vii(i) – Promoting health care including preventive health care	Pune	9.96	9.96	9.96	Installed Central Monitoring Surveillance System unit at ICU in Sassoon Hospital
7	Donation of Scorpio Car installed with Blood Transportation Unit	Promoting health Care including Preventive health care[Schedule VII(i)	Pune	17.55	17.55	17.55	Scorpio Car installed with Blood Transportation Unit donated to Janakalyan Blood Bank
8	Constructed Iconic Toilet at PMPML Bus Stop, Shivajinagar	Schedule VII(ii) Sanitation	Shivajinagar Pune	21.94	21.94	21.94	Amount given to M/s.Sprout Architects for Construction
9	Talegaon Project	Promoting health Care including Preventive health care[Schedule VII(i), Schedule VII(ii) Sanitation &Promoting education Sch. VII (ii)	Talegaon	5.14	5.14	5.14	Donated: <ul style="list-style-type: none"> • Benches to Sant Dyaneshwer Prathamik School • Sanitary Napkin Machine to Saraswati Vidya Mandir • Sewing Machine to Gyangangotri • Water Purifier/ cooler to Pragatividya Mandir

10	Conducting Skill Development Training (Gas Plumbing) for the economically backward school dropouts	Employment enhancing vocational skills & Empowering women (Schedule VII (ii))	Pune	24.30	3.49	3.49	Amount paid to Dnyanada Institute Of Flow Piping Technology
11	Driving Lessons to women, so that they become self relaint	Employment enhancing vocational skills & Empowering women (Schedule VII (ii))	Pune	6.19	2.49	2.49	Amount paid to Chaitanya Mahila Mandal
12	Abyasika for child education program	Promotion of education including special education (Schedule V (ii))	Pune	15.99	5.56	5.56	Amount paid to Surajya SarvanginVikas Prkalp
TOTAL PROJECT AMOUNT :				197.98	163.09		34.89

1. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Company could gather & undertake projects of Rs.1 Crores 98 Lakhs. The project with Dnyanada Institute Of Flow Piping Technology (DIFT), Chaitanya Mahila Mandal and Surajya SarvanginVikas Prkalp were held up for want of appropriate documentations from them to release further payment.

2. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company



Donation of Sewing Machine at Gyangangotri Matimand Mulanchi Nivasi Shala, Dhayari Gaon.



Donation of Sanitary Napkin Dispensing Machine to Saraswati Vidya Mandir, Talegaon



Donation of Benches to Sant Dyaneshwer Prathamik School, Talegaon

Blood Transportation Unit installed in Scorpio Car donated to Janakalyan Blood Bank under CSR initiative of MNGL



Scorpio donated to Janakalyan Blood Bank



Donation of Water Purifier + Cooler at Pragati Vidya Mandir Talegaon Dabhade.



Hon'ble Union Minister For Petroleum & Natural Gas And Skill Development & Entrepreneurship
Shri. Dharmendra Pradhan Flagging off at CNG Two Wheeler launch



Ms. Vandana Chanana, Chairperson, during the review meeting at MNGL

ANNEXURE- "B"

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2017-2018

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION:

a. Efforts made towards technology Absorption

- More Safe and effective odorant Spotleak 1007 (TBM-80% and MES 20%) is being used since Nov'17 for odorization of Natural Gas
- Installation of 8 nos. of Automatic Power Factor controller(APFC) panels in MS and NRO.
- Trial completed for Automation of Dispensers and Online Compressors at MS Kothrud and NRO Vighnaharta.
- Installed flowmeter (20 nos) at Inlet of Compressors in Daughter Booster stations for effective gas reconciliation from Mother station to Daughter Booster station.
- Installation of RFID tag for PMPML buses.

b. Benefit derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc..

- Spot leak (T3BM-80% and MES 20%) is Easy to handle, having high boiling point (65deg C), resistant to oxidation, less fading and less reactance to internal piping material.
- Maintained PF around unity in CNG stations resulting in saving of around Rs. 20.00 lacs in 2017-18
- By using LED lights saving of 180W/ lights is achieved.
- Proper Gas Reconciliation at DBS (Daughter Booster Stations)



5. Automatic gas data updating of PMPL buses & Checking of validity of hydro testing of Gas cylinders to enhance the Safety.
- c. **In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year), following information may be furnished:**
- i. Technology imported - NIL
 - ii. Year of import - NIL
 - iii. Has technology been fully absorbed - NIL
 - iv. If not absorbed, areas where this has not taken place, reason therefore & future plan of action - NIL
- d. **The expenditure incurred on Research and Development - NIL**

Other initiatives

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Company is in retail distribution business of Natural Gas in Pune & its surrounding areas. Considering the area of operation and product of the Company, export related activities are not pertinent.

During the year under review the foreign exchange earnings and outgo are given below:

Foreign Exchange earned in terms of actual inflows during the year	Nil
Foreign Exchange outgo during the year in terms of actual outflows	Nil

ANNEXURE-`C`

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

The Members,
Maharashtra Natural Gas Limited
Plot no. 27, NarveerTanajiwadi,
PMT Bus depot, Commercial Building, 1st Floor,
Shivajinagar, Pune 411005.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maharashtra Natural Gas Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Maharashtra Natural Gas Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Maharashtra Natural Gas Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not applicable -;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not applicable -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



MAHARASHTRA NATURAL GAS LIMITED

(vi) other applicable laws like Maharashtra Fire Prevention and Life Safety Measures Act, 2006, The Bombay Gas Supply Act 1939, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In respect of other applicable laws to the Company, I have relied on information obtained, representations made and records produced physically or over e-mail from the departmental heads and a few personal interviews of the contractors taken on test check basis, during the course of my audit. My reporting is limited to that extent.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India as they stand on the date of reporting;

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable. - Not applicable -

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, subject to observations mentioned above.

I/We further report that during the audit period the company has been no instances having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards as referred above.

Place: Pune

Date L

Date: 15/06/2018

For MRM Associates, Company Secretaries

CS M. B. Kasodekar

FCS No. 2756

C.P. No. 1681

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
Maharashtra Natural Gas Limited
Pune

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Pune

Date: 15/06/2018

For MRM Associates, Company ecretaries

CS
M. B. Kasodekar
FCS No. 2756 C.P. No. 1681



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"ANNEXURE D"

(As on the financial year ended on 31st March, 2018)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

i. REGISTRATION AND OTHER DETAILS:

S.No.	Particulars	Facts
(i)	CIN	U11102PN2006PLC021839
(ii)	Registration Date	13 th January, 2006
(iii)	Name of the Company	Maharashtra Natural Gas Limited
(iv)	Category / Sub-Category of the Company	Company Limited by Shares
(v)	Address of the Registered office and contact details	Plot no 27, Narveer Tanaji Wadi, PMT Bus Depot, Commercial Building, First floor, Shivaji Nagar, Pune Tel: 020 – 25611000 Fax No: 020 -25511522 email: shreya.prathudesai@mngl.in website: www.mngl.in
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	UTI Infrastructure Technologies and services Limited, Plot No. 3, Sector-11, Post Bag No. 22, C.B.D. Belapur, Navi Mumbai-400614 Tel-022 67931300, email:sunil.bhoite@utiitsl.com

ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Natural Gas	35202	100

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

I. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	100	12700	12800	0.01	100	304	404	0.01	0.001
(b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	22487500	22499700	44987200	44.99	22499996	22499600	44999596	44.99	0.001
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	22487600	22512400	45000000	45	22500096	22499904	45000000	45	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter									
(A)= (A) (1)+(A) (2)	22487600	22512400	45000000	45	22500096	22499804	45000000	45	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	Nil	Nil	Nil	Nil	0	Nil	0	0	0
(c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt.(s) (MIDC)	Nil	5000000	5000000	5	Nil	5000000	5000000	5	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIIs	Nil	Nil	Nil	Nil	0	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify						Nil	Nil	Nil	Nil
Sub-Total (B)(1)	Nil	5000000	5000000	5	Nil	5000000	5000000	5	Nil



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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non- Institutions										
(a) Bodies Corp										
i. Indian	50000000	Nil	50000000	50	50000000	Nil	50000000	50	Nil	
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(b) individuals										
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
ii. Individual share holders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C) Others (Specify)										
Sub-Total (B)(2)	50000000	Nil	50000000	50	50000000	Nil	50000000	50	Nil	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total (A+B+C)	72487600	27512400	10000000	100	72500096	27499904	10000000	100	Nil	

(ii) Shareholding of Promoters:

S. No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	GAIL (India) Limited (GAIL) including shares held jointly with its employees.	22499996	22.5	0.00	22499996	22.5	0.00	Nil
2	Bharat Petroleum Corporation Limited	22499600	22.49	0.00	22499600	22.49	0.00	0.00
	Total	44999596	44.99	0.00	44999596	44.99	0.00	0.00

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

Sl. No.	Shareholders' Name	Shareholding at the beginning of the		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Bharat Petroleum Corporation Limited	22499600	22.49	22499600	22.49
2	Gail(India) Ltd-non change in holding during the FY 2017-18				



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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2018:

Sl. No	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company
1.	Shri Kamlesh Sharma (Jointly with GAIL) At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	3125 0 3124 1	0.003 % 0.00 % 0.003 % 0.000 %
2.	Shri Vinay Srivastava (Jointly with GAIL) At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 1 0 1	0.000 % 0.000 % 0.003 % 0.000 %
3.	Shri A. K. Jha (Jointly with GAIL) At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 1 0 1	0.000% 0.000% 0.00 % 0.000 %
4.	Shri A.K.Bansal At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	100 0 0 100	0.00% 0.00% 0.00% 0.00%
5.	Shri R.P.Natekar At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	100 0 0 100	0.00% 0.00% 0.00% 0.00%

Sl. No	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company
6.	Shri Chinmoy Mandal (Jointly with GAIL)		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	1	0.003 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	1	0.000 %
7.	Shri S.Krishnamurti		
	At the beginning of the Year	100	0.00%
	Bought during the Year	0	0.00%
	Sold/Transfer during the Year	0	0.00%
	At the end of the Year	100	0.00%
8.	Indraprastha Gas Limited		
	At the beginning of the Year	50000000	50%
	Bought during the Year	0	0
	Sold/Transfer during the Year	0	0
	At the end of the Year	50000000	50%
9	Shri. M. Venugopal (Jointly with BPCL)		
	At the beginning of the Year	100	0.00%
	Bought during the Year	0	0.00%
	Sold/Transfer during the Year	100	0.00%
	At the end of the Year	0	0.00%
10	Maharashtra Industrial Development Corp.		
	At the beginning of the Year	50.00.000	5.00%
	Bought during the Year	0	0.00%
	Sold/Transfer during the Year	0	0.00%
	At the end of the Year	0	0.00%



MAHARASHTRA NATURAL GAS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel as on 31st March, 2018:

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year	
		No. of shares	% of total shares of the Company
1.	Ms. Vandana Chanana At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
2	Shri I S Rao At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
3.	Shri Ashim Batra At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
4.	Shri A.M.Tambekar At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
5.	Shri J.Vedagiri* At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
6	Shri Santosh Sontakke** At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %
7.	Ms. Padmini Khare*** At the beginning of the Year Bought during the Year Sold/Transfer during the Year At the end of the Year	0 0 0 0	0.00 % 0.00 % 0.00 % 0.00 %

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year	
		No. of shares	% of total shares of the Company
8.	Shri. Rajesh Pande		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	0	0.00 %
9	Shri Deepak Kumar Mukadam		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	0	0.00 %
10	Shri A.B.Misal****		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	0	0.00 %
11	Shri E. S. Ranganathan		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	0	0.00 %
12	Shri Ashok Devarajan*****		
	At the beginning of the Year	0	0.00 %
	Bought during the Year	0	0.00 %
	Sold/Transfer during the Year	0	0.00 %
	At the end of the Year	0	0.00 %

Note:

* Shri J. Vedagiri ceased to be Director Commercial w.e.f. 23.06.2017

** Shri Santosh Sontakke joined as Director Commercial of the Company w.e.f 12.07.2017

**** Shri A. B. Misal vacated office of Director of the Company as on 23.03.2018.

***** Shri Ashok Devrajan resigned from the Company as Company Secretary as on 12.03.2018.

*** Smt. Padmini Khare Kaicker Ceased to be Director w.e.f. 27.3.18 Due to superannuation of her term.

19. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Rs. 278.67 crores.



MAHARASHTRA NATURAL GAS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL DURING THE FINANCIAL YEAR

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	(Rs. in Lacs)			Total Amount
	Name	Shri A.M.Tambekar	Shri Sontakke Santosh	Shri J. Vedagiri	(Rs/Lacs)
	Designation	Managing Director	Director Commercial	Director Commercial	
	Gross salary	73.54	62.84	9.77	146.15
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73.54	62.84	9.77	146.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 -				
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify	-	-		-
5	Others, please specify -	-			-
	Total (A)	73.54	62.84	9.77	146.15
	Ceiling as per the Act	Remuneration is within ceiling prescribed under Companies Act, 2013.			

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors						Total Amount
							(Rs/Lac)
Independent Directors	Rs.12,34,900/-						
Fee for attending board / committee meetings							
Commission							
Others, please specify							
Total (1)							
Other Non-Executive Directors	No other amount was paid to any other Director During FY 2017-18						
Fee for attending board committee meetings							
Commission							
Others, please specify							
Total (2)							
Total (B)=(1+2)							
Ceiling as per the Act**							

*Paid to respective parent organizations.

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



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

S.No.	Particulars of Remuneration			Total Amount
	Name	Shri Sontakke Santosh*	Shri Ashok Devarajan Resignation 12.3.18	(Rs/Lacs)
	Designation	WTD & CFO	CS	16.82
1	Gross salary	*Remuneration of Shri Sontakke Santosh has been covered under Remuneration to Directors		
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961		16.82	16.82
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
	Commission		-	
4	- as % of profit		-	-
	- others, specify		-	-
5	Others, please specify		-	-
	Total		16.82	16.82

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

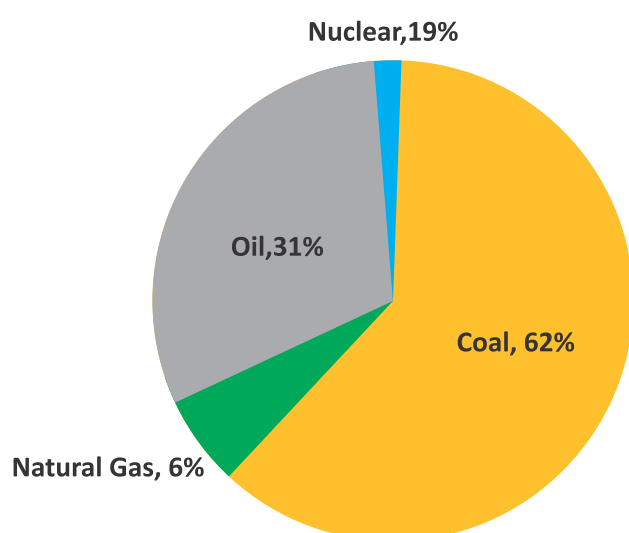
There were no penalties / punishment / compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the financial year 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL GAS SCENARIO IN INDIA

India is the world's 3rd largest energy consumer; oil and gas account for 35.61% of total energy consumption in India. The role of natural gas is of critical importance in the gas markets. The competition between coal and natural gas has tremendous implications for air pollution and climate change since gas emits less than half the carbon dioxide of coal in most applications. Natural gas has assumed a significant role in power generation, industrial applications, residential heating and transport fuel. Government has also accorded highest priority for City Gas Distribution (CGD) segment in the NG usage basket. India had 1.2 million cubic metres of proven gas reserves at the end of 2016 and produced 31.83 bcm of gas in FY18 which is expected to rise and reach 36 bcm[^] by 2021.

Share of Natural Gas in Total Energy Consumption:



Our country's natural gas sector accounts for 6% of the total energy mix. There is a thrust by Government of India to increase the share of natural gas. The Indian

gas market also has an opportunity to transform and grow significantly. In recent years, the demand for natural gas in India has increased remarkably owing to higher availability of transmission and distribution infrastructure, cost advantages of natural gas in comparison to alternate available fuels and environment friendly characteristic of natural gas. The demand for natural gas in the country is majorly driven by increasing levels of industrialization, and more specifically, the Power, Fertilizer, Petrochem /Refineries and City Gas Distribution (CGD) sectors; continued coal-to-gas switching and the increasing availability of affordable gas. Besides, the Country's future lies in shifting the demand from oil to natural gas not only due to economic and diversification purposes, but also in the context of green considerations.

India's natural gas production grew for the first time in six years in 2017-18. An analysis of year-wise data on natural gas production since 2002 indicates that the country recorded its highest ever natural gas production from onshore blocks in 2017-2018. Gas production from onshore blocks including Coal Bed Methane (CBM) grew 8 % to 10,639 MMSCM last financial year as compared to 9,858 MMSCM recorded in the previous fiscal. The reversal in the six-year declining trend assumes significance coming at a time when the government is targeting a quick ramp up in the share of natural gas in the overall energy basket as well as a major relief for the domestic economy.

India is heavily investing in building LNG import terminals and pipelines to import and supply gas across the country. Local production is rising at a pace not enough to meet the rising domestic demand, India will continue to need import. Country currently imports 45% of the total amount of natural gas it consumes.

Currently the supply-demand gap in natural gas is being addressed through the import of Liquefied Natural Gas. To fulfil the increasing demand and strengthen the domestic gas distribution within the country, an investments to the tune of at least USD 10.8 Billion for augmenting gas import and pipelines infrastructure are required. Natural gas industry of India is anticipated to have robust growth in the coming years. The growth will be mainly driven by various government initiatives such as a target to make natural gas available to 10 million households and thousands of industrial and commercial customers across India by 2020, building of natural gas infrastructure - 'Vision 2030'.



CITY GAS DISTRIBUTION IN INDIA

City Gas Distribution (CGD) sector now entering the much awaited acceleration stage. The past few years have witnessed tremendous growth in CGD business in India.

As on March 31, 2018, CGD network of India is providing PNG to 42.8 lakhs households along with 7,601 industrial consumers and 26,131 commercial consumers. 30.9 lakhs vehicles are running on CNG with 1424 CNG stations across the nation for the fuel availability.

NINTH ROUND OF CGD BIDDING:

Today the CGD sector in India is on the threshold of a new era. The PNGRB conducted the 9th round of bidding for granting authorization of laying, building, operating or expanding CGD network for 86 geographical areas in 174 districts, covering 24% of its geographical area, and 29% of the population. Unlike the previous rounds, major industry players were curious regarding this round due to revised CGD regulations & some appealing strategies such as marketing exclusivity period of 8 years which is extendable by 2 years, compared with 5 years earlier. Your Company has secured three new geographical areas namely Nashik-Dhule-Valsad (Part) Districts and Sindhudurg District in Maharashtra and Ramanagara District in Karnataka.

The development of 9th round CGD bidding is expected to lead to better volume growth visibility. Also, this will uplift employment, give major boost to the economy with attractive investment.

OUTLOOK ON OPPORTUNITIES

You company has laid around 131kms pipeline infrastructure during FY: 2017-18 which can fetch reasonable customer base in Domestic, Commercial and Industrial Segments and therefore the use of natural gas is bound to grow. Your company has got around 52 CNG stations in and around Pune by 31st March, 2018 and around 8 are under construction which will ensure sufficient availability CNG and PNG to its customers.

As your Company has secured new geographical areas in 9th round CGD bidding invited by PNGRB recently, all out efforts can now be taken to meet the minimum work program as per the parameters bidded and expand its presence in order to reach out to the end users to achieve organizational growth.

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATIONS

Gas Sourcing

During the year your Company has received assured supply of domestic gas from GAIL under the laid down guidelines of Mo P&NG, Government of India.

In order to meet the growing gas demand of industrial & commercial consumers, your company is also procuring R-LNG, both on term & spot basis from various sources at competitive prices. Your company is continuously striving for procuring cheapest R-LNG supplies for its customers by signing agreements with multiple suppliers to bring a rationality in correct price mix and ensure consistency and reliability in supply, which obviously benefit our end users and help in enhancing customer base. Smart sourcing of Gas helped your company to maintain supply of natural gas at competitive prices to benefit end user and bulk customers.

Gas Prices

This year the cent percent of APM gas for CNG and PNG domestic segments has been provided by Govt. of India due to which your Company could maintain the gas selling prices both in CNG and PNG-domestic segment competitive over alternate fuels.

ENVIRONMENT CONSCIOUSNESS

Natural Gas is an extremely important source of energy for reducing pollution and maintaining a clean and healthy environment. In addition to being a domestically abundant and secure source of energy, the use of natural gas also offers a number of environmental benefits over other sources of energy, particularly fossil fuels.

The combustion of natural gases releases very small amount of sulfur dioxide and nitrogen oxides vis a vis other fossil fuels. It produces virtually no ash or particulate matter with lower levels of carbon dioxide, carbon monoxide and other reactive hydrocarbons.

Since the core business of your company is the distribution of Natural Gas, therefore its playing major role improving the environment of Pune and adjoining area by spreading the use of Natural Gas in industry, commercial establishments in homes and importantly usage of CNG by vehicles and public transport in Pune had drastically reduced the pollution level in the city of Pune.



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

सी-25, 'ऑडिट भवन', 8^{वां} तल, बान्द्रा-कुर्ला कॉम्प्लेक्स, मुंबई - 400 051
फैक्स : 022-26573814 टेलिफोन : 022-26573813 / 26573942
ई मेल : mabmumbai2@cag.gov.in

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

C-25, 'Audit Bhavan', 8th Floor, Bandra-Kurla Complex, Mumbai - 400 051.
Fax : 022-26573814 Telephone : 022-26573813 / 26573942
e-mail : mabmumbai2@cag.gov.in

संख्या: एमएवी II/एम.एन.जी.एल-लेखों/17-18/टी-1617/ 577

दिनांक: 25.01.2019

सेवा में,
अध्यक्ष,
महाराष्ट्र नैचुरल गैस लिमिटेड,
पुणे.


विषय: कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन महाराष्ट्र नैचुरल गैस लिमिटेड के 31 मार्च 2018 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ।

महोदय,

मैं महाराष्ट्र नैचुरल गैस लिमिटेड के 31 मार्च 2018 को समाप्त लेखों पर कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ प्रेषित कर रही हूँ।

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

कृपया इस पत्र की पावती भेजें।

भवदीया,


महानिदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड II, मुंबई

संलग्न: यत्रोपरि



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA NATURAL GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 December 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit **nothing significant has come to my knowledge** which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Roop Rashi

Place: Mumbai
Date: 25 January 2019

Director General of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai.

KIRTANE & PANDIT

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS,
MAHARASHTRA NATURAL GAS LIMITED
PUNE

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **MAHARASHTRA NATURAL GAS LIMITED** ("the Company") as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, Profit and Loss (financial performance, including Other Comprehensive Income), cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under from time to time. The responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



Kirtane & Pandit LLP - Chartered Accountants

Pune | Mumbai | Nashik | Bengaluru | Hyderabad

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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management; as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In case of PNG Connections, FAR does not specify the specific unit of measurement for capitalization, namely the sub-area/society/household details. In absence of the above details in the FAR, year on year total capitalization cannot be correlated with specific unit wise capitalization. Therefore, we are unable to comment on the short or excess capitalization, if any in current as well as previous years.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31 2018, and its profit (financial performance, including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to following –

- a) The balance of Trade Payables (including performance deposits) and Earnest money payable are subject to confirmation, reconciliation and consequential adjustments if any.

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- b) The Inventory of Meters with Vendors are subject to confirmation, reconciliation, and consequential adjustments.
- c) The Company has spent lesser amount on Corporate Social Responsibility Activity than amount qualifying as per provisions of Section 135 of Companies Act, 2013.

Other Matters:

- 1. The financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on May 02, 2017.
- 2. The financial statements for the year ended March 31, 2017 and the opening balance sheet as on April 01, 2016 have been restated as per provisions of IND AS 8- Accounting Policies, Changes in Accounting Estimates and Errors. Refer note no 38.

Report on other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Ind AS financial statements, except for the matters mentioned in Basis for Qualified Opinion.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the matters mentioned in Basis for Qualified Opinion.
 - e. On the basis of the written representations received from all the directors except Mr. A.B. Misal, as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act of the Companies Act, 2013. Further we have been informed that said director Mr. A. B. Misal has automatically ceased to be the director pursuant to disqualification under section 167(1) (b) of Companies Act, 2013.



- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements —Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There is no such amount that is required to be transferred, to the investor Education and Protection Fund by the Company.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number – 105215W / W100057

Parag Pansare

Partner

Membership No. 117309



Pune, December 17, 2018

ANNEXURE - A TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of Maharashtra Natural Gas Ltd, on the Ind AS financial statements for the period ended March 31, 2018, we report that:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of CNG, Steel and PNG division. During the audit process of current year, the Company has initiated a comprehensive review of Short/excess capitalization of till date in FAR, for CNG, PNG and Steel division. As a result, the Company is in process of updating the effects of such review in FAR of CNG and Steel division. Further, in case of PNG division, FAR is maintained on year on year capitalization basis instead of on the basis of specific unit of measurement for capitalization, namely the sub-area/society/household details.
 - b) The Company has a regular program of physical verification of its fixed assets, except for fixed assets related to the underground natural gas distribution system, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, as informed to us, in case of one immovable property situated at Chikhali, it is defending a claim with reference to the title, filed by other party.
- ii. In our opinion and according to the information and explanation given to us, the management has conducted physical verification of inventory of spares and stores parts at reasonable intervals during the year and the material discrepancies noticed were properly dealt with in Books of Accounts.
- iii.
 - a) The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b) As the Company has not granted any loan, sub clauses (a), (b) and (c) of clause (iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.



MAHARASHTRA NATURAL GAS LIMITED

Maharashtra Natural Gas Limited

Independent Auditor's Report

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's product and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Service Tax, Value Added Tax, duty of customs, duty of excise, Cess, GST and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess, GST and other material statutory dues applicable to it with the appropriate authorities.

- b) Dues aggregating to Rs. 2,692.57 Lakhs/- have not been deposited on account of (b) disputed matters pending before appropriate authorities as under:

SR. NO	NAME OF THE STATUE	NAME OF THE DUES	AMOUNT (RS Lakhs)	PERIOD FOR WHICH THE AMOUNT RELATES	FORUM WHERE THE DISPUTE IS PENDING
1.	Sales Tax	Sales Tax Dues	35.47 (net of refund of Rs.8.00 Lakhs)	F.Y. 2009-10	Jt. Commissioner of Sales Tax (Appeal) Pune
2.	Service Tax	Service Tax Dues	2,657.10	F.Y. 2012-13 to F.Y. 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those were raised.

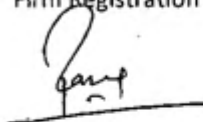
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- x. During the course of our examination of the books and records of the Company and according to information, explanation and representation given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees.
- xi. According to the information and explanations given to us, the Company has not paid and provided for managerial remuneration & hence provisions of section 197 read with schedule V to the Act is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS). Refer Note no. 32.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into noncash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number – 105215W / W100057



Parag Pansare
Partner
Membership No. 117309



Pune, December 17, 2018



ANNEXURE - B TO THE AUDITORS' REPORT

The annexure referred to in paragraph 2(f) on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018.

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

We have audited the internal financial controls over financial reporting of Maharashtra Natural Gas Ltd ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control



based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Control Over Financial Reporting

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

Qualified Opinion

According to information and explanation given to me and based on our audit, the following material weaknesses have been identified as at March 31, 2018.

- a) The Company's internal financial controls over correct, accurate and timely capitalization of Fixed Assets from CWIP and depreciation thereon were not operating effectively which



- could potentially result in the Company recognizing short or excess capitalization of fixed assets & depreciation charge thereon.
- b) The Company's internal control over reconciliation of Physical capital assets (including Inventory of Meters) with third parties & with the Company and with Books of Accounts were not operating effectively which could result in the Company not booking of appropriate capitalization and depreciation or impairment losses if any thereon.
 - c) The Company's internal financial controls over the process of application of relevant policies & procedures as per Indian Accounting Standards and its review needs to be strengthened.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects of material weaknesses described above the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number – 105215W / W100057

Parag Pansare

Partner

Membership No. 117309



Pune, December 17, 2018

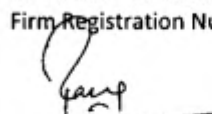
KIRTANE & PANDIT

Annexure to Independent Auditor's Report

We have conducted the audit of accounts of Maharashtra Natural Gas Limited for the year ended 31st March, 2018 in accordance with the directions issued by the Comptroller & Audit General of India under Section 143(5) of Companies Act, 2013, and certify that we have complied with all the directions issued to us, which are as follows:

Sr. No.	Directions	Response
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively. If not please state the area of freehold and leasehold land for which title deeds are not available.	The title deeds of immovable properties are held in the name of the Company. However, as informed to us, in case of one immovable property at Chikhali, it is defending a claim with reference to the title, filed by other party
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reason therefor and amount involved.	During the Financial year 2017-18, there are no cases of waiver or written off of loans and interest.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from Govt. or other authorities	As per the information given to us, there is no major Inventory (in form of gas), lying with third parties and the company has not received any gift/grant from Govt. or other authorities.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number – 105215W / W100057


Parag Pansare
Partner
Membership No. 117309



Pune, December 17, 2018

Kirtane & Pandit LLP - Chartered Accountants

Pune | Mumbai | Nashik | Bangaluru | Hyderabad

Regd. Office : 5th Floor, Wing A, Gopal House, S.No. 127/1B/1, Plot A1, Opp. Harshal Hall, Kothrud, Pune – 411 038, India | Tel : +91 20-67295100 / 25433104
www.kirtanepandit.com | Email : kpca@kirtanepandit.com



MAHARASHTRA NATURAL GAS LIMITED

Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Balance Sheet as at March 31, 2018

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31,2018	March 31,2017 (Restated)*	April 01,2016 (Restated)*
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	61,864.94	50,042.82	37,812.03
Capital work-in-progress	3	15,303.51	12,345.08	14,259.65
Other Intangible assets	4	79.52	186.39	433.07
Financial Asset				
(i) Other financial asset	5	459.02	494.31	1,146.50
Other non-current assets	6	52.51	113.13	303.02
Total non-current assets		77,759.50	63,181.73	53,954.27
Current assets				
Inventories	7	60.86	28.71	34.39
Financial Assets				
(i) Trade and other receivables	8	4,697.27	7,083.59	5,998.63
(ii) Cash and cash equivalents	9	2,530.65	1,356.66	2,290.29
(iii) Other financial assets	5	498.80	781.81	373.10
Other current assets	10	3,408.26	740.64	658.04
Total Current Assets		11,195.84	9,991.41	9,354.45
Total - Assets		88,955.34	73,173.14	63,308.73
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11(a)	10,000.00	10,000.00	10,000.00
Other Equity				
(i) Reserves and Surplus	11(b)	31,014.05	21,490.61	17,318.42
Total Equity		41,014.05	31,490.61	27,318.42
Non-current liabilities				
Financial Liabilities				
(i) Long-term borrowings	12	19,367.00	24,988.79	21,680.52
Long-term provisions	14, 15	139.61	131.75	79.05
Liabilities for Tax (Net)	18	(687.87)	(678.92)	(673.79)
Deferred tax liabilities (Net)	16	5,350.50	3,871.38	2,699.95
Other non-current liabilities		-	-	-
Total non-current liabilities		24,169.24	28,313.00	23,785.73
Current liabilities				
Financial Liabilities				
(i) Trade payables	17	1,945.99	2,300.43	2,101.53
(ii) Other current financial liabilities	13	17,043.76	10,497.71	9,159.27
Short-term provisions	14	33.90	65.42	11.46
Liabilities for Current Tax (Net)	18	4,480.07	(8.95)	449.10
Other current liabilities	19	268.33	514.92	483.22
Total Current Liabilities		23,772.04	13,369.54	12,204.59
Total - Liabilities		47,941.28	41,682.53	35,990.31
Total equity and liabilities		88,955.34	73,173.14	63,308.73

(*) See note 38 for details regarding the restatement.

Significant accounting policies 1

Critical estimates and judgements 2

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For M/s Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

Sd/-
Parag Pansare
Partner
Membership No :117309
Pune, 17th December, 2018

Sd/-
R.P. Natekar
Chairman
DIN: 07858989
Pune, 17th December, 2018

Sd/-
A.M. Tambekar
Managing Director
DIN: 06877323

Sd/-
S.Sontakke
DC & CFO
DIN: 07836490

Sd/-
Shreya Prabhudesai
Company Secretary
A48866

MAHARASHTRA NATURAL GAS LIMITED



Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Statement of Profit and Loss for the year ended March 31, 2018

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note Reference	Year Ended March 31, 2018	Year Ended March 31, 2017 (Restated)
Revenue from Operations	20	66,349.47	53,796.83
Other Income	21(a)	220.98	75.82
Other Gains/losses (net)	21(b)	0.16	1.30
Total Income		66,570.60	53,873.95
Expenses			
Purchases of Natural Gas	22(a)	32,084.32	26,488.80
Changes in inventories of finished goods	22(b)	(32.15)	5.68
Excise Duty		5,272.48	4,451.38
Employee benefit expense	23	1,448.39	1,410.29
Depreciation and amortisation expense	24	3,299.30	2,986.14
Finance Costs	25	2,278.62	2,127.51
Other expenses	26	5,692.26	5,008.78
Total Expenses		50,043.23	42,478.58
Profit before exceptional items and tax		16,527.38	11,395.37
Exceptional Items		-	-
Profit before tax		16,527.38	11,395.37
Income tax Expense			
-Current Tax		4,476.62	2,965.77
-Deferred tax		1,479.11	1,171.44
Total Tax Expense		5,955.73	4,137.21
Profit from continuing operations		10,571.64	7,258.16
Profit for the year		10,571.64	7,258.16
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	(11.20)	42.52
Income tax relating to these items		3.88	(14.72)
Other Comprehensive income for the year, net of tax		(7.32)	27.80
Total Comprehensive income for the year		10,578.97	7,230.36
Earnings per equity share			
Basic and diluted earnings per share (in Rs.)	36	10.57	7.26

(*) See note 38 for details regarding the restatement.

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For M/s Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

Sd/-
Parag Pansare
Partner

Membership No :117309
Pune, 17th December, 2018

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R.P. Natekar
Chairman
DIN: 07858989
Pune, 17th December, 2018

Sd/-
A.M. Tambekar
Managing Director
DIN: 06877323

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S.Sontakke
DC & CFO
DIN: 07836490

Sd/-
Shreya Prabhudesai
Company Secretary
A48866



MAHARASHTRA NATURAL GAS LIMITED

Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Statement of Cash flows for the year ended March 31, 2018

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Note	Year Ended March 31, 2018		Year Ended March 31, 2017	
Cash Flow from Operating Activities					
Profit before income tax			16,527.39		11,395.37
Adjustments for:					
Depreciation and amortisation	3	3,299.30		2,986.14	
Gains on disposal of property, plant and equipment	21(b)	(0.16)		(0.30)	
Finance Costs	26	2,278.62		2,127.51	
Excess provision written back					
Interest income classified as investing cash flow		(39.68)		(74.50)	
Provision for Doubtful Debts written back		(170.82)	5,367.26	262.72	5,301.57
Operating Profit Before Working Capital Changes			21,894.65		16,696.94
Change in operating assets and liabilities					
(Increase)/Decrease in inventories		(32.15)		5.68	
(Increase)/Decrease in trade and other receivables		2,557.14		(1,347.67)	
Increase/(Decrease) in Trade and other Payables		(354.45)		198.90	
Increase/(Decrease) in Provisions		(12.46)		64.13	
Increase/(Decrease) in other liabilities		(246.57)		31.67	
Increase/(Decrease) in other current financial liabilities		1,856.42		1,723.11	
(Increase)/Decrease in other non-current assets		-		146.00	
(Increase)/Decrease in other current assets		307.36		50.46	
(Increase)/Decrease in financial assets		254.39	4,329.69	(326.96)	545.32
Cash Generated from Operations			26,224.34		17,242.26
Income Taxes paid	18		(2,975.42)		(3,547.27)
Net cash inflow from operating activities			23,248.92		13,694.99
Cash flow from investing activities					
Payments for property, plant and equipment		(17,150.96)		(12,388.29)	
Payments for intangible assets		(41.81)		(0.95)	
Interest received		38.38		74.74	
Proceeds from sale of investments (Earmarked and other fixed deposits)		157.95		552.80	
Proceeds from sale of investments (Security deposits)		(92.73)		17.39	
Net cash outflow from investing activities			(17,089.17)		(11,744.30)
Cash flow from financing activities					
Proceeds from Long Term Borrowings (Net)	12	(1,428.05)		2,183.27	
Interest paid		(2,502.18)		(2,009.43)	
Dividend paid to company's shareholders and Tax Thereon	30	(1,055.54)		(3,058.17)	
Net cash inflow from financing activities			(4,985.76)		(2,884.33)
Net increase/(decrease) in cash & cash Equivalents			1,173.98		(933.64)
Cash & Cash Equivalents as at beginning of the financial year			1,356.66		2,290.29
Cash & Cash Equivalents as at end of the Year			2,530.65		1,356.66
Reconciliation of cash and cash equivalents as per the cash flow statement					
Cash and cash equivalents as per above comprise the following					
Cash, Cheques & Stamps on Hand			54.00		10.54
Cash balance with Banks - in current Accounts			2,476.65		1,346.12
Balance as per statement of cash flows			2,530.65		1,356.66

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

As per our report of even date attached
For M/s Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

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

Sd/-
Parag Pansare
Partner
Membership No :117309
Pune, 17th December, 2018

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R.P. Natekar
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Shreya Prabhudesai
Company Secretary
A48866

MAHARASHTRA NATURAL GAS LIMITED



Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Statement of Profit and Loss for the year ended March 31, 2018

(A) Equity share capital

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at April 01,2016		10,000.00
Changes in equity share capital	11(a)	-
As at March 31,2017		10,000.00
Changes in equity share capital	11(a)	-
As at March 31,2018		10,000.00

(B) Other Equity

Particulars	Notes	Reserves & Surplus	
		Retained Earnings	Total
As at April 1, 2016 (as previously reported)	11(b)	18,649.21	18,649.21
Impact of restatement (net of tax)	38	(1,330.79)	(1,330.79)
Restated balance as at April 1, 2016	11(b)	17,318.42	17,318.42
Profit for the year		7,258.16	7,258.16
Other Comprehensive Income		(27.80)	(27.80)
Total comprehensive income for the year		24,548.78	24,548.78
Transaction with owners in their capacity as owners:			
Dividends Paid	30	(3,058.17)	(3,058.17)
As at March 31, 2017		21,490.61	21,490.61

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



MAHARASHTRA NATURAL GAS LIMITED

Maharashtra Natural Gas Limited Notes to the financial statements

Company Information

"Maharashtra Natural Gas Limited ('MNGL') is a Company incorporated in January 2006 to meet the City Gas distribution needs of Pune and adjoining areas. MNGL has got the PNG Regulatory Board (PNGRB) authorization for city gas distribution in Pune & Pimpri-Chinchwad city including adjoining areas of Hinjewadi, Chakan & Talegaon. MNGL is a joint venture Company of two navratna PSUs viz. Bharat Petroleum Corporation Limited (BPCL) and Gas Authority of India Limited (GAIL), with the mission to supply clean and green (eco-friendly) fuel. Main business objectives of the company are as under:-

- To provide clean, environment friendly green fuel as an alternative to the conventional auto fuels like Petrol and Diesel and
- To provide safe, convenient and reliable piped natural gas to its customers in the domestic, commercial and industrial sectors. While transport sector will use Compressed Natural Gas (CNG), the domestic, commercial and industrial sectors will use Piped Natural Gas (PNG). Gas procurement is done from GAIL India Limited and Bharat Petroleum Corporation Limited (BPCL) through Gas Sale Agreement."

Note 1: Significant accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

(b) Segment reporting

"Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company assesses the financial performance and makes strategic decisions. Refer note 31 for the segment information presented."

(c) Foreign currency transactions and translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

"i. Initial Recognition Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

ii. Measurement at the Balance Sheet Date Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

iii. Treatment of Exchange Difference Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

iv. Accounting of Forward Contracts Premium on forward contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the balance sheet date."

(d) Revenue Recognition

"(i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods & service tax and amounts collected on behalf of third parties.(ii) The company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.(iii) Revenue on sale of Piped Natural Gas (PNG) is recognized based on completion of delivery. Sales are billed bi-monthly for domestic customers, monthly for commercial customers and fortnightly for industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from retail outlets;(iv) Committed revenue from customers for gas sales and gas transmission is recognized if it is not unreasonable to expect ultimate collection of revenue from buyers.(v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable and in consonance with the mutually agreed terms. (vi) Recoveries of connection charges from customer(Industrial and commercial segment) with regards to laying of pipeline, is recognised as revenue on the date of capitalisation of respective asset."

(e) Income Tax

"The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of

assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively."

(f) Leases

As a lessee

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

(g) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable



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

(h) Cash and Cash Equivalents

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

(i) Trade Receivables

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

(j) Inventories

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

financial year 2017-18, management has concluded that the value of cushion gas is not material and has not been capitalized to PPE."

(k) Financial Instruments

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

Financial assets

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

Debt instruments

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

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

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

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

Impairment of financial assets

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

Derecognition of financial assets

"A financial asset is derecognized only when:- The company transferred the rights to receive cash flows from the financial asset or- Retains contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset."

Income recognition

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

Financial Liability

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

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

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

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized



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amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(I) Property, Plant and equipment

(i) Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates are adjusted in arriving at the cost of the assets and costs recovered from the customers towards the cost of assets are recognised as revenue on date of capitalisation of respective assets.

(ii) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.

(iii) Gas distribution systems are commissioned on commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on an estimated basis pending receipt of final bills from the Contractors, and is subject to adjustment in cost and depreciation in the year of final settlement.

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

"Depreciation Method, estimated useful lives and residual value"

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

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

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

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

(m) Intangible assets

Computer Software

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

(n) Borrowings

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

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

(o) Borrowing Costs

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

(p) Provisions and Contingent liabilities

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

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employee's services up to the end of the reporting period and are measured at the

amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

"The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by the actuaries using the projected unit credit method. The benefits are discounted using the marked yields at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur."

(iii) Post-employment obligations

The company operates the following post-employment schemes:

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

Gratuity Obligations

"The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined obligation is calculated annually by the actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and balance sheet. Changes in the present value of the defined benefit obligation resulting



from plan amendments or curtailments are recognized immediately in profit or loss as past service cost."

Prepaid contributions are recognised as an asset for termination benefits.

Defined Contribution plan

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

(r) Dividends

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

(s) Earnings per share

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

(t) Rounding off amounts

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

(u) Previous year figures

Previous year figures have been regrouped wherever necessary.

Note 2: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that

involved a higher degree of judgement or complexity, and if items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statement.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

"Estimation of defined benefit obligation – Note 15"

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Segment Reporting

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

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Note 3: Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and Machinery - I *	Plant and Machinery - II #	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Year ended 31 March 2017										
Gross carrying amount	264.60	81.38	22,979.24	2,745.54	29.15	47.74	81.86	5.25	26,234.76	28,783.09
Opening gross carrying amount as at April 1, 2016 (as previously reported)	-	-	14,671.39	(109.07)	-	-	-	-	14,562.32	(14,523.47)
Impact of restatement (See Note 38)	-	-	37,650.63	2,636.47	29.15	47.74	81.86	5.25	40,797.08	14,259.62
Restated gross carrying amount as at April 1, 2016	264.60	81.38	28,551.46	2,095.83	44.00	19.41	17.03	-	30,727.73	14,755.62
Additions (Including Borrowing Cost)	-	-	(14,367.95)	(1,390.49)	-	-	-	-	(15,758.44)	15,655.45
Impact of restatement (See Note 38)	-	-	-	-	-	-	-	-	-	(32,325.61)
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as on March 31, 2017 (restated)	264.60	81.38	51,834.14	3,341.81	73.15	67.15	98.89	5.25	55,766.37	12,345.08
Accumulated Depreciation										
Opening accumulated depreciation as at April 1, 2016 (as previously reported)	-	1.39	950.32	381.60	11.39	8.84	14.57	1.21	1,369.32	-
Impact of restatement (See Note 38)	-	-	1,617.09	(1.36)	-	-	-	-	1,615.73	-
Restated accumulated depreciation as at April 1, 2016	-	1.39	2,567.41	380.24	11.39	8.84	14.57	1.21	2,985.05	-
Depreciation charge during the year (restated)	-	1.39	2,054.12	502.33	14.98	10.83	15.59	1.07	2,600.31	-
Impact of restatement (See Note 38)	-	-	199.49	(61.30)	-	-	-	-	138.19	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation (restated)	-	2.78	4,821.02	821.27	26.37	19.67	30.16	2.28	5,723.55	-
Net carrying amount as at March 31, 2017 (restated)	264.60	78.61	47,013.12	2,520.54	46.78	47.48	68.73	2.96	50,042.82	12,345.08

Particulars	Freehold Land	Buildings	Plant and Machinery - I *	Plant and Machinery - II #	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Year ended March 31, 2018										
Gross carrying amount	264.60	81.38	51,834.14	3,341.81	73.15	67.15	98.89	5.25	55,766.37	12,345.08
Opening gross carrying amount	1,094.80	-	11,289.81	2,458.90	66.18	21.24	45.46	-	14,976.38	21,149.51
Additions (Including Borrowing Cost)	-	-	-	-	-	-	-	(3.64)	(3.64)	-
Disposals	-	-	-	-	-	-	-	-	-	(18,191.09)
Transfers	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	1,359.40	81.38	63,123.95	5,800.71	139.33	88.39	144.35	1.61	70,739.11	15,303.51
Accumulated Depreciation and Impairment										
Opening accumulated depreciation	-	2.78	4,821.02	821.27	26.37	19.67	30.16	2.28	5,723.55	-
Depreciation charge during the year	-	1.39	2,599.20	496.75	26.45	12.68	17.25	0.55	3,154.27	-
Disposals	-	-	-	-	-	-	-	(3.64)	(3.64)	-
Closing accumulated depreciation and impairment	-	4.17	7,420.22	1,318.02	52.82	32.35	47.42	(0.81)	8,874.18	-
Net Carrying Amount	1,359.40	77.21	55,703.73	4,482.69	86.51	56.05	96.92	2.43	61,864.94	15,303.51

(i) Refer to note 37 for information on property, plant and equipment pledged as security by the company. (ii) Contractual Obligations Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment. (iii) Capital work-in-progress Capital work-in-progress mainly comprise Pipeline-Steel, Permission/license fee and compressors.

(iv) See note 38 for details regarding the restatement as a result of an error.

* P & M I - Plant & Machinery excludes Compressors. # - P & M II - Includes Compressors only.



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Note 4: Intangible Assets

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

Particulars	Computer Software	Total
Year ended 31 March 2017		
Gross Carrying amount		
Deemed cost as on 1st April 2016	638.79	638.79
Additions	0.95	0.95
Disposals	-	-
Closing Gross Carrying Amount	639.74	639.74
Accumulated Amortisation		
Opening Accumulated Amortisation	205.72	205.72
Amortisation charge for the year	247.63	247.63
Closing accumulated amortisation	453.35	453.35
Closing net carrying amount	186.39	186.39

Year ended 31 March 2018	Computer Software	Total
Gross carrying amount		
Opening gross carrying amount	639.74	639.74
Additions - Internal Development	41.81	41.81
Closing Gross Carrying Amount	681.55	681.55
Accumulated Amortisation and Impairment		
Opening accumulated amortisation	453.35	453.35
Amortisation charge for the year	148.68	148.68
Closing accumulated amortisation and impairment	602.03	602.03
Closing net carrying amount	79.52	79.52

There are no internally generated intangible assets.

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Note 5: Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Non-Current			
Security Deposit	263.20	170.47	187.86
Earmarked fixed deposits	195.82	323.85	871.20
Other Fixed Deposits	-	-	87.44
	459.02	494.31	1,146.50
Current			
Security Deposit	-	-	-
Earmarked fixed deposits	370.83	400.76	318.76
Interest Receivable	4.10	2.80	3.04
Unbilled Revenue	123.87	378.26	51.30
	498.80	781.81	373.10
Total	957.82	1,276.13	1,519.60

Note 6: Other non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Capital advances	52.51	113.13	157.02
Claims paid under protest	-	-	146.00
Total	52.51	113.13	303.02

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

Note 7: Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Finished goods (at lower of cost and net realisable value)	60.86	28.71	34.39
Total	60.86	28.71	34.39

Note 8: Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Trade receivables	4,372.69	6,664.71	5,295.13
Receivables from related parties	449.78	714.90	736.80
Less: Allowance for doubtful debts	(125.20)	(296.02)	(33.30)
Total receivables	4,697.27	7,083.59	5,998.63

Break-up of security details

Secured, considered good	-	-	-
Unsecured, considered good	4,697.27	7,346.31	5,965.33
Doubtful	125.20	33.30	33.30
Total	4,822.47	7,379.61	5,998.63
Less: Allowance for doubtful debts	(125.20)	(296.02)	-
Total trade receivables	4,697.27	7,083.59	5,998.63

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

Note 9: Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Balances with banks			
- in current accounts	2,476.65	1,346.12	2,281.18
Cash on hand	54.00	10.54	9.11
Others	-	-	-
Total	2,530.65	1,356.66	2,290.29

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

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

Note 10: Other Current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Unsecured considered good			
Advance to supplier and employees	1.35	12.58	0.15
Receivable from revenue authorities			
- Cenvat Recoverable	70.04	356.15	415.24
- VAT Recoverable	81.67	81.67	124.61
- Balance with Income Tax	3,178.50	203.50	70.47
Prepaid Expenses	76.70	86.72	45.56
Prepaid Gratuity	-	-	2.02
Total	3,408.26	740.63	658.04



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Note 11: Equity share capital and other equity

11(a): Equity Share capital

Authorised equity share capital:

Particulars	Number of shares (in lakhs)	Amount
As at 1 April 2016	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2017	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2018	1,000.00	10,000.00

(i) Movements in equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at 1 April 2016	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2017	1,000.00	10,000.00
Increase during the year	-	-
As at 31 March 2018	1,000.00	10,000.00

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares present at the meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares of the company held by holding/ultimate holding company

Particulars	As at March 31, 2018 (in lakhs)	As at March 31, 2017 (in lakhs)	As at April 1, 2016 (in lakhs)
President - Government of India (Ultimate holding)	949.88	949.88	949.88

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares (in lakhs)	% Holding	No. of shares (in lakhs)	% Holding	No. of shares (in lakhs)	% Holding
GAIL (INDIA) LIMITED	224.88	22.49	224.88	22.49	224.88	22.49
Bharat Petroleum Corporation Ltd. (BPCL)	225.00	22.50	225.00	22.50	225.00	22.50
Indraprastha Gas Limited	500.00	50.00	500.00	50.00	500.00	50.00

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11 (b) Reserves and Surplus

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)*	As at April 01, 2016 (Restated)*
Retained Earnings	31,014.05	21,490.61	17,318.42
Total reserves and surplus	31,014.05	21,490.61	17,318.42

(i) Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)
Opening Balance (as previously reported)	21,490.61	18,649.21
Restatement impact (net of tax)	-	(1,330.79)
Restated opening balance	21,490.61	17,318.42
Net profit for the period	10,571.65	7,258.16
	32,062.27	24,576.58
Items of other comprehensive income recognised directly in retained earnings		
-Remeasurements of post employment benefit obligation, net of tax	7.32	(27.80)
Dividends on Equity shares (Final)	(877.00)	(1,503.90)
Tax on dividends on Equity shares (Final)	(178.54)	(306.16)
Dividends on Equity shares (interim)		(1,037.00)
Tax on dividends on Equity shares (interim)		(211.11)
Tax on Dividends paid interim and final (Earlier years)		
Closing Balance	31,014.05	21,490.61
Total reserves and surplus	31,014.05	21,490.61

*See note 38 for details of restatement.



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12 Non- Current Borrowings

Particulars	Maturity Date	Terms of Repayment	Coupon or interest rate	31-Mar-18	31-Mar-17	1-Apr-16
Secured						
Term loan						
From Bank						
Rupee Loan from State Bank of India	12/31/2022	Refer note below*	At base rate **	28,060.74	29,712.35	27,411.00
Total borrowings				28,060.74	29,712.35	27,411.00
Less: Current Maturities of long-term debt (included in note 13)				8,508.00	4,500.00	5,625.00
Less: Interest Accrued (included in note 13)				185.74	223.56	105.48
Non-current borrowings (as per balance sheet)				19,367.00	24,988.79	21,680.52

Non current borrowings :

Security :

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

Terms of Repayment :

* Terms of repayment of loan - Quarterly instalments of Rs 11.25 Crores each starting from June 30, 2016 onwards.

*Terms of repayment of loan - Quarterly instalments of Rs 3. 34 Crores each starting from April 30, 2018 onwards.

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

Coupon or interest rate :

** At Base rate i.e. present effective interest rate @ 8.75% p.a. with monthly rests.

13 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
Current			
Current maturities of long-term borrowings (note 12)	8,508.00	4,500.00	5,625.00
Interest accrued	185.74	223.56	105.48
Deposits (earnest money deposit)	292.08	168.53	135.58
Capital Creditors	2,131.55	1,412.14	789.86
Employee related payables	220.58	209.65	45.43
Security Deposit	477.62	354.76	268.01
Provision for expenses	-	47.00	1.57
Security Deposit from customers	5,228.18	3,582.08	2,188.34
Total	17,043.76	10,497.71	9,159.27
Total	17,043.76	10,497.71	9,159.27

14 Provisions

Particulars	31-Mar-18			31-Mar-17			1-Apr-16		
	Current	Non-Current	Total	Current	Non-current	Total	Current	Non-current	Total
Non-Current									
(A) Provisions for employee benefits									
Provision for leave encashment	21.15	139.61	160.76	19.37	131.75	151.12	11.46	79.05	90.51
Provision for gratuity	12.75	-	12.75	46.05	-	46.05	-	-	-
	33.90	139.61	173.51	65.42	131.75	197.17	11.46	79.05	90.51

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Note 15: Employee Benefit Obligations

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations (i)	21.15	139.61	160.76	19.37	131.75	151.12	11.46	79.05	90.51
Gratuity (ii)	12.75	-	12.75	46.05	-	46.05	-	-	-
Total employee benefit obligations	33.90	139.61	173.51	65.42	131.75	197.17	11.46	79.05	90.51

(i) Leave Obligations

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

Amount of provision of INR 12.75 lakhs (March 31, 2017 - INR 19.37 , April 01, 2016 - INR 11.46) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the the next 12 months.

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Non Current leave obligation not expected to be settled within the next 12 months	139.61	131.75	79.05

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Current leave obligation expected to be settled within the next 12 months	21.15	19.3682	11.46

(ii) Post-Employment obligations

(a) Gratuity:

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(iii) Defined Contribution Plans

The company also has certain defined contribution plans. Contributions made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 59.16 Lakhs (March 31, 2017 - INR 54.86 Lakhs).

Balance Sheet Amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined obligation over the year are as follows:

Particulars	Present value of obligation	Fair Value of plan assets	Net Amount
April 01, 2016	46.53	48.55	(2.02)
Current Service Cost	12.36	-	12.36
Interest Expense/(income)	3.72	(4.11)	(0.39)
Total amount recognised in profit or loss	16.08	(4.11)	11.97
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	13.85	-	13.85
(Gain)/loss from change in financial assumptions	15.57	-	15.57
Experience (gains)/losses	12.92	(0.18)	13.10
Total amount recognised in other comprehensive income	42.34	(0.18)	42.52
Employer contributions	-	6.43	
Benefit Payments	-	-	
March 31, 2017	104.95	58.91	46.04

Particulars	Present value of obligation	Fair Value of plan assets	Net Amount
April 01, 2017	104.95	58.91	46.04
Current Service Cost	19.44	-	19.44
Past Service Cost	2.33	-	2.33
Interest Expense/(income)	1.56	(5.45)	(3.89)
Total amount recognised in profit or loss	23.33	(5.45)	17.88
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	(2.16)	-	(2.16)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(8.04)	0.64	(8.68)
Experience (gains)/losses	(1.33)	(2.45)	1.12
Total amount recognised in other comprehensive income	(11.53)	(1.81)	(9.72)
Employer contributions	-	45.42	45.42
Benefit Payments	3.97	-	3.97
March 31, 2018	120.72	107.97	12.75



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The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	March 31,2018	March 31,2017	April 01,2016
Present Value of funded obligations	120.72	104.95	46.53
Fair value of plan assets	107.97	58.91	48.55
Deficit of funded plan	12.75	46.04	-
Unfunded Plans	-	-	-
Deficit of gratuity plan	12.75	46.04	-

(iv) Post Employment benefits (Gratuity)

Significant Estimates: Actuarial Assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31,2018		March 31,2017		April 01,2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	7.60%	7.60%	6.8%	6.80%	8%	7.6%
Annual Increase in Salary	6.00%	6.00%	6.00%	6.00%	5.00%	6.00%
Mortality Table referred	IALM (2006-08) ultimate	IALM (2006-08) ultimate	LIC (1994-96)	IALM(2006-08) Ultimate	LIC (1994-96)	IALM(2006-08) Ultimate
Age Withdrawal Rate %	8.00%	8.00%	8.00%	8.00%	NA	9.97%

(v) Sensitivity Analysis

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

Gratuity

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

Discount Rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
6.60%	130.89
8.60%	111.76

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

Salary Increment Rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
5.00%	112.61
7.00%	129.73

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

Withdrawal rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
7.00%	119.58
9.00%	121.73

Leave Encashment

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

Discount Rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
7.60%	172.39
8.60%	150.4

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

Salary Increment Rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
5.00%	151.59
7.00%	170.85

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

Availment rate	31 03 2018 Defined Benefit Obligation (Rs. in Lacs)
1.00%	15.16
3.00%	169.03

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Note 16: Deferred Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)*	As at April 1, 2016 (Restated)*
DEFERRED TAX LIABILITIES			
Impact of difference between tax depreciation and Depreciation/Amortization charged for the period	5,357.17	3,338.26	2,063.88
Adjustment pertaining to restatement		687.87	678.92
	5,357.17	4,026.13	2,742.80
DEFERRED TAX ASSETS			
Impact of Expenditure charged to P&L in the current period but allowed for tax calculations on payment basis:			
- Leave Encashment	6.67	52.30	31.33
- Gratuity		-	-
- Other		102.45	11.52
Total Deferred Tax Assets	6.67	154.75	42.85
DEFERRED TAX LIABILITIES (NET)	5,350.50	3,871.38	2,699.95

Movements in deferred tax liabilities

Particulars	Property, plant and equipment
As at April 01, 2016 (as previously reported)	2,063.88
Adjustment pertaining to restatement	678.92
Restated balance as at April 1, 2016	2,742.80
Charged/(credited)	
- to Profit or loss	1,274.38
Adjustment pertaining to restatement	8.95
As at March 31, 2017 (restated)	4,026.13
Charged/(credited)	
- to Profit or loss	1,331.04
As at March 31, 2018	5,357.17

Movements in deferred tax assets

Particulars	Leave encashment	Other Items	Total
As at April 01, 2016	31.33	11.52	42.85
(Charged)/credited			
- to Profit or loss	20.97	76.21	97.18
- Other Comprehensive income	-	14.72	14.72
As at March 31, 2017	52.29	102.45	154.74
(Charged)/credited			
- to Profit or loss	(45.63)	(102.45)	(148.08)
- Other Comprehensive income		-	-
As at March 31, 2018	6.67	0.00	6.67

(*) See Note 38 for details of restatement.

Note 17: Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables	1,072.28	851.87	921.51
Trade payables to related parties	873.70	1,448.56	1,180.02
Total	1,945.98	2,300.43	2,101.53

As per the information available with the company none of the suppliers has informed about their having registered themselves under The Micro, Small and Medium Enterprises Development Act, 2006. As such information required under this act cannot be compiled and disclosed.



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Note 18: Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Tax liabilities pertaining to previous years	(687.87)	(678.92)	5.13
Adjustment pertaining to restatement			(678.92)
Total	(687.87)	(678.92)	(673.79)
Current Year Movement			
Opening Balance	-	-	165.00
Add: Current tax payable for the year	4,480.07	-	3,600.77
Less: Taxes Paid	-	-	(3,316.67)
Adjustment pertaining to restatement		(8.95)	
Closing Balance	4,480.07	(8.95)	449.10

Note 19: Other Current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Tax deducted at Source Payable	41.38	32.97	98.43
Balance Payable to Government Authorities	247.61	397.96	185.33
Advance from customers	(20.66)	83.99	199.46
Other Employee related liabilities	-	-	-
Deferred Revenue	-	-	-
Total other current liabilities	268.33	514.92	483.22

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Note 20: Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017 (Restated)*
Sale of products (inclusive of excise duty)	65,487.29	53,115.70
Refund of VAT	-	1.56
Other Operating Revenue		
Application Fees	242.90	129.97
Facilitation Charges	-	122.85
Income under MGO Clause	-	148.00
Other operating revenue	327.79	65.09
Recoveries from Customer (restated)	291.49	213.66
	862.18	679.57
Total revenue from continuing operations	66,349.47	53,796.83

(*) See Note 38 for details of restatement.

Note 21 (a): Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from Bank deposits	39.68	74.50
Interest - Others	10.48	1.32
Provision for Doubtful Debts written back	170.82	-
Total other income	220.98	75.82

21 (b) Other gains/(losses)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit on sale of assets	0.16	0.30
Net foreign exchange gains	-	1.00
Total other gains/(losses)	0.16	1.30

22 (a) Purchase of Natural Gas

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Natural Gas Cost	32,084.32	26,488.80
Total cost of Natural Gas Purchase	32,084.32	26,488.80

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Stock-in-trade	28.71	34.39
	28.71	34.39
Less: Closing Stock		
Stock-in-trade	60.86	28.71
	60.86	28.71
Total	(32.15)	5.68



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23 Employee benefits expense

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus		1,157.08	1,156.33
Secondment Expenses		146.15	97.58
Contribution to provident and other funds		84.40	65.90
Gratuity expense	15	24.23	12.61
Leave Compensation	15	19.27	61.12
Staff welfare expenses		17.26	16.75
Total		1,448.39	1,410.29

24 Depreciation and amortization expense

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017 (Restated)*
Depreciation of property, plant and equipment	3	3,150.62	2,738.51
Amortization of intangible assets	4	148.68	247.63
Total		3,299.30	2,986.14

(*) See Note 38 for details of restatement.

25 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017 (Restated)*
Interest on borrowing	2,278.62	2,127.51
Total	2,278.62	2,127.51

(*) See Note 38 for details of restatement.

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26 Other expenses

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Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Fuel	1,370.16	1,288.14
Power and Fuel	922.47	803.49
Captive Consumption or losses	447.68	484.65
Administrative Expenses	1,713.01	1,665.30
Repairs & Maintenance (General)	2.24	8.05
Vehicle Hiring Charges	99.46	87.52
Annual Day & Other Events Expenses	21.68	11.97
Subscription / Membership Fees (Journal/recreations, etc.)	15.52	2.13
Electricity Expenses	-	-
Statutory Charges & Taxes (Rates & Taxes)	189.42	134.16
General Expenses	6.14	12.56
Rent for Office, Warehouse, CNG Stations, etc.	377.62	416.03
Insurance (Assets, Health, etc.)	26.26	6.66
Legal Expenses	35.23	70.43
News Paper & Periodicals	-	-
Postage & Courier Exp. and Telephone Exp.	42.95	29.67
Professional fees	129.29	80.98
Printing & Stationery	24.65	17.09
Security Agency Expenses	103.61	73.03
Recruitment Expenses	-	-
Training and Seminar Expenses	11.95	16.78
Safety Expenses	8.25	10.09
House Keeping Expenses	41.44	45.51
Conference Expenses (Board Meeting Expenses)	4.95	15.54
Director Sitting Fees	12.35	8.15
Travelling Expenses	58.03	43.65
Stores and Spares Consumed	157.83	-
Corporate Social Responsibility (CSR)	100.52	122.76
Provision for Doubtful Debts	-	262.72
SAP Support Costs	220.99	141.67
Bank Charges	22.63	48.15
Selling & Distribution Expenses	722.46	595.17
Advertisement Exps. /Business & Sales Promotion Exp	134.96	75.77
Commission	48.89	-
CNG Cascade Transport Charges	450.51	437.28
Marketing Expenses (DMA Charges)	88.10	82.12
Operations and Maintenance Expenses	1,886.64	1,460.17
Operations and Maintenance Expenses CNG	1,656.84	1,124.07
Operations and Maintenance Expenses PNG	229.80	336.10
Total Expenses	5,692.26	5,008.78

26 (a) Details of payment to auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to Auditors		
As auditor:		
Audit fee	5.90	5.75
Total payments to auditors	5.90	5.75



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26 (b) Corporate Social Responsibility Expenditure

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Skill Development	33.36	36.00
Contribution to JALYUKT SHIVAR ABHIYAN	-	-
Health Awareness	48.83	62.55
Contribution to Rural Sport and Women Empowerment	12.73	5.00
Contribution to Swachh Bharat Kosh	-	10.80
Contribution to Science Techno Park	5.61	8.41
Total	100.53	122.76
Amount required to be spent as per Section 135 of the Act	208.68	185.00
Amount Spent during the year on		
(i) Construction/acquisition of an asset	-	15.96
(ii) On purposes other than (i) above	100.53	106.80

Note 27: Income Tax Expense

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

Particulars	March 31,2018	March 31,2017 (Restated)*
(a) Income Tax Expense		
<i>Current Tax</i>		
Current Tax on profits for the year	4,480.50	2,974.72
Adjustments pertaining to restatement	-	(8.95)
Total Current Tax Expense	4,480.50	2,965.77
Deferred Tax	1,479.11	1,162.49
Adjustment pertaining to restatement		8.95
Total deferred tax expense/(benefit)	1,479.11	1,171.44
Income Tax Expense	5,959.61	4,137.21
Income Tax Expense is attributable to:		
Profit from continuing operations	5,959.61	4,137.21

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Note 28: Fair Value Measurements

Financial Instruments by category

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Trade Receivables	-	-	4,697.27	-	-	7,083.59	-	-	5,998.63
Cash and Cash Equivalents	-	-	2,530.65	-	-	1,356.66	-	-	2,290.29
Security deposits	-	-	263.20	-	-	170.47	-	-	187.86
Earmarked fixed deposits	-	-	566.65	-	-	724.60	-	-	1,189.96
Other fixed deposits	-	-	-	-	-	-	-	-	87.44
Interest Receivable	-	-	4.10	-	-	2.80	-	-	3.04
Unbilled Revenue	-	-	123.87	-	-	378.26	-	-	51.30
Total Financial Assets	-	-	8,185.74	-	-	9,716.38	-	-	9,808.52
Financial Liabilities									
Borrowings (including interest accrued)	-	-	28,060.74	-	-	29,712.35	-	-	27,411.00
Security Deposits	-	-	477.62	-	-	354.76	-	-	268.01
Security Deposit from customers	-	-	5,228.18	-	-	3,582.08	-	-	2,434.42
Earnest Money Deposits	-	-	292.08	-	-	168.53	-	-	135.58
Capital Creditors	-	-	2,131.55	-	-	1,412.14	-	-	789.86
Trade Payables	-	-	1,945.98	-	-	2,300.43	-	-	2,101.53
Others	-	-	220.58	-	-	256.65	-	-	47.00
Total Financial Liabilities	-	-	38,356.74	-	-	37,786.93	-	-	33,187.39

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



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Notes to the financial statements

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Note 29: Financial Risk Management

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

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

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

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

(A) Foreign Currency Risk

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

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
	USD	USD	USD
Financial Liabilities			
Trade Payables	-	5.11	32.89

Foreign Currency Sensitivity

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

(B) Credit Risk

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

(i) Credit risk management

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

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

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

Provision for expected credit loss

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

Exposure to Risk	March 31, 2018	March 31, 2017	April 01, 2016
Trade Receivables	4822.47	7379.60	6031.93

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

Aging Analysis	March 31,2018	March 31,2017	April 01, 2016
Upto 3 months	4,775.54	6,976.38	5,553.25
3 to 6 months	(0.47)	46.95	388.67
6 months to 1 year	27.19	201.43	3.54
More than 1 year	20.09	154.85	86.47

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

(iii) Reconciliation of loss allowance provision - Trade Receivables

	Amount in INR (Lakhs)
Loss allowance on April 01,2016	-
Provided during the year	296.02
Amounts written off	-
Reversals of provision	-
As at March 31,2017	296.02
Provided during the year	-
Amounts written off	(170.82)
Reversals of provision	-
As at March 31,2018	125.20

(B) Liquidity risk

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

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

(i) Financing Arrangements

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

Particulars	March 31,2018	March 31,2017	April 01, 2016
Floating rate - Expiring within one Year (bank overdraft and other facilities)	400.00	400.00	400.00



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

(ii) Maturities of financial liabilities

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

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

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

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
March 31, 2017		
Borrowings	4,500.00	24,988.79
Trade payables	2,300.43	-
Other financial liabilities	5,997.71	-
Total Financial Liabilities	12,798.14	24,988.79

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
April 1, 2016		
Borrowings	5,625.00	21,680.52
Trade payables	2,101.53	-
Other financial liabilities	3,534.27	-
Total Financial Liabilities	11,260.80	21,680.52

Maharashtra Natural Gas Limited

Notes to the financial statements

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

Note 30: Capital management

(a) Risk management

The company's objectives when managing capital are to

" - safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and "

- Maintain an optimal capital structure to reduce the cost of capital.

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

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

Particulars	March 31,2018	March 31,2017	April 01,2016
Net debt	25,530.09	28,355.69	25,120.71
Total equity	41,014.05	31,490.61	27,318.42
	66,544.15	59,846.31	52,439.13
Net debt to equity + debt ratio	38.37%	47.38%	47.90%

i) Loan Covenants

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

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

Particulars	2017-18	2016-17
Current Ratio	0.47	0.75
TOL/TNW	0.68	0.94
PBDIT/Int.	9.60	7.61
G.DSCR	2.55	3.51
ROCE	29.28	27.69

(b) Dividends

Particulars	March 31,2018	March 31,2017
<i>(i) Equity Shares</i>		
Final dividend for the year ended March 31, 2017 of INR 0.87 (March 31,2016 - INR 1.5039) per fully paid share	877.00	1,503.90
Interim dividend for the year ended March 31,2018 of INR 0 per fully paid share (March 31,2017 - 1.037 INR) per fully paid share	-	1,037.00
<i>(ii) Dividends nor recognised at the end of the reporting period</i>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 2.64 per fully paid equity share (March 31,2017 - 1.263 INR). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,640.00	1,263.00



MAHARASHTRA NATURAL GAS LIMITED

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Notes to the financial statements
 (All figures are in INR Lakhs, unless otherwise stated)

Note 31: Segment Information

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

Note 32: Related Party Transactions

(a) Associate Entities

The company is controlled by the following entities:

Name	Type	Place of Incorporation	Ownership Interest		
			March 31, 2018	March 31, 2017	April 01, 2016
GAIL (India) Limited	Associate	India	22.49%	22.49%	22.49%
Bharat Petroleum Corporation Ltd. (BPCL)	Associate	India	22.50%	22.50%	22.50%
Indraprastha Gas Limited (IGL)	Associate	India	50.00%	50.00%	50.00%

(b) Transactions with related parties

The following transactions occurred with related parties:

Particulars	March 31, 2018	March 31, 2017
Indraprastha Gas Limited (IGL)	438.50	518.50
Dividend paid to parent entity	2.92	1.80
Sitting fees paid		
Bharat Petroleum Corporation Limited (BPCL)		
Sales and Purchases of goods and services		
Sale of goods to parent entity	7,108.81	6,531.59
Purchases of Raw material from parent entity	328.51	806.71
Reimbursement of expenses to parent entity	1.84	1.74
Salaries, allowances and other related payments to parent entities	67.83	44.34
Other Transactions		
Dividend paid to parent entity	197.33	233.32
Sitting fees paid	2.21	1.10
GAIL (India) Limited		
Sales and Purchases of goods and services		
Sale of Good to parent entity	-	-
Purchases of Raw material from parent entity	31,756.12	25,508.71
Reimbursement of expenses to parent entity	3.56	4.15
Salaries, allowances and other related payments to parent entities (Reimbursement of cost for Key Managerial personnel - Mr. A.M.Tambekar, Managing Director)	67.06	41.44
Other Transactions	197.33	233.20
Dividend paid to parent entity	1.02	0.60
Training Expenses	-	0.92
Sitting fees paid		

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

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

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Trade Payables (Purchases of goods and services)			
BPCL	-	15.24	120.64
GAIL	842.19	1,417.05	1,017.57
Payables for expenses			
BPCL	21.17	12.67	23.41
GAIL	10.33	3.61	18.39
Indraprastha Gas Limited		-	-
Total Payable to related parties (Note 17)	873.71	1,448.56	1,180.02

	March 31, 2018	March 31, 2017	April 01, 2016
Trade Receivable (Sale of goods and services)			
BPCL	449.78	714.90	736.80
Total receivable from related parties (Note 8)	449.78	714.90	736.80

(d) Terms and Conditions

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

Goods were sold to parent entities during the year based on the price lists in force and terms that would be available to third parties.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable in cash.

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Notes to the financial statements

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

Note 33: Contingent liabilities and contingent assets

The company had contingent liabilities at March 31, 2018 in respect of

- Letters of Credit issued to the suppliers are Nil. (Previous year Rs. 2938 Lacs)
- Bank Guarantees - Rs. 1789.09 Lacs (Previous Year Rs. 1903.48 Lacs)
- Appeal filed in respect of disputed demands :
 - Sales Tax for FY 2009-10 Rs. 35.47 net off refund of Rs. 8 Lacs (Previous Year Rs 35.47 Lacs net off refund of Rs. 8 Lacs)
- Claims against the company not acknowledged as debt Rs. 206.85 Lacs (Previous Year Rs. 33.02 Lacs)
- Appeal filed in respect of disputed demand in CESTAT:
 - Service Tax for the period July 12 To Mar 18 on restoration charges Rs. 2657.11 Lacs (Previous Year Rs. NIL)
- The Company has entered in to an agreement with Gas Authority of India Ltd(GAIL) to undertake a minimum of 90% of quantity of gas as mentioned in the purchase agreement. During the year Company was not able to meet the 90% purchase criteria thereby amounting to short purchase of gas. The Company has entered into an agreement with GAIL to make good the balance liability by making extra purchase of quantity of gas during the period January 2019 to December 2019.

Note 34: Commitments

(a) Capital Commitments

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

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Property, plant and equipment	15,346.38	3,034.99	12,225.56

(b) Non-cancellable Operating leases

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

Particulars	March 31, 2018	March 31, 2017
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	301.10	312.89
Later than one year but not later than five years	1,069.54	1,103.73
Later than five years	3,009.50	4,237.34
Total	4,380.15	5,653.95

Rental expenses relating to operating leases

Particulars	March 31, 2018	March 31, 2017
Minimum lease payments		
Total rental expense relating to operating leases	373.62	416.03

Note 35: Events occurring after the reporting period

Other Events

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

Note 36: Earnings per share

Particulars	March 31, 2018	March 31, 2017 (Restated)*
Net profit attributable to the Equity shareholders of the Company	10,571.65	7,258.16
Weighted average number of Equity shares of Rs.10/- each (Nos. in lacs)	1,000.00	1,000.00
Basic & Diluted Earnings per share (INR)	10.57	7.26

(*) See Note 38 for details of restatement as a result of an error.

Weighted average number of shares used as the denominator

Particulars	March 31, 2018	March 31, 2017
Total outstanding equity shares	1,000.00	1,000.00
Weighted average number of Equity shares of Rs.10/- each	1,000.00	1,000.00



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Notes to the financial statements
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Note 37: Assets pledged as security (Gross)

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

Particulars	Note	March 31,2018	March 31,2017	April 01,2016
Non-current				
Primary Security				
On assets in the form of plant and machinery created out of term loan	3	28,060.74	29,712.35	27,411.00
Collateral Security				
Pari Passu over residual assets in the form of Plant and machinery along with equitable mortgage over Land at chikhali		57,526.81	38,073.28	27,361.47
Total assets pledged as security		85,587.56	67,785.63	54,772.47

Note 38: Restatement

During the year under audit, the Company discovered cases of excess/short capitalisation of property, plant and equipment in earlier years on account of system error. The Management undertook a detailed review of items capitalised as part of Property, plant and equipment and Capital Work-in-progress in earlier years and corrected the same in the current year. The adjustments have resulted in a restatement of comparative period numbers as well as opening balance-sheet as at 1 April 2016.

Refer table below for a summary of restatement adjustments.

Balance-sheet (Extract)	31 March 2017 (As previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)	31 March 2016 (As previously reported)	Increase/ (Decrease)	1 April 2016 (Restated)
Property, plant and equipment	52,992.86	(2,950.05)	50,042.81	24,865.44	12,946.60	37,812.04
Capital work-in-progress	11,213.10	1,131.97	12,345.07	28,783.09	(14,523.47)	14,259.62
Total assets	64,205.96	(1,818.08)	62,387.88	53,648.53	(1,576.87)	52,071.66
Deferred tax liabilities (Net)	3,183.52	687.88	3,871.40	2,021.03	678.92	2,699.95
Other current financial liabilities	10,586.87	(89.13)	10,497.73	9,405.35	(246.08)	9,159.27
Other non-current liabilities	-	-	-	-	-	-
Total liabilities	13,770.39	598.74	14,369.13	11,426.38	432.84	11,859.22
Retained Earnings	23,219.55	(1,728.94)	21,490.61	18,649.21	(1,330.79)	17,318.42
Total equity	23,219.55	(1,728.94)	21,490.61	18,649.21	(1,330.79)	17,318.42

Statement of profit and loss (Extract)	31 March 2017 (As previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Revenue from operations	53,583.17	213.66	53,796.83
Total Income	53,583.17	213.66	53,796.83
Depreciation and amortisation expense	2,847.95	138.19	2,986.14
Finance Costs	1,653.89	473.62	2,127.51
Total Expenses	4,501.84	611.81	5,113.65
Profit before tax	11,793.52	(398.15)	11,395.37
Income-tax expense			
- Current tax	2,974.72	(8.95)	2,965.77
- Deferred tax	1,162.49	8.95	1,171.44
Total tax expense	4,137.21	-	4,137.21
Profit for the year	7,656.31	(398.15)	7,258.16

Basic earnings per share for the prior year has also been restated. The amount of correction for basic earning per share was a reduction of Rs. 0.40 per share.

Note 39: Previous Year's figures

Previous Year's figures have been regrouped/reclassified wherever considered necessary.

As per our report of even date attached

For M/s Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

Sd/-
Parag Pansare
Partner
Membership No :117309
Pune, 17th December, 2018

Sd/-
R.P. Natekar
Chairman
DIN: 07858989
Pune, 17th December, 2018

Sd/-
A.M. Tambekar
Managing Director
DIN: 06877323

Sd/-
S.Sontakke
DC & CFO
DIN: 07836490

Sd/-
Shreya Prabhudesai
Company Secretary
A48866