



# MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2022/429

Date: July 29, 2022

To,

<b>Head, Listing Compliance Department BSE Limited</b> P. J. Towers, Dalal Street, Mumbai - 400 001 <b>Script Code/Symbol: <u>539957; MGL</u></b>	<b>Head, Listing Compliance Department National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 <b>Script Symbol: <u>MGL</u></b>
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**Sub: Submission of Notice of the 27<sup>th</sup> Annual General Meeting of the Company and Annual Report for FY 2021-22**

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Notice of the 27<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, August 24, 2022 at 11:00 a.m. (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) as well as Annual Report for the Financial Year 2021-22.

You are requested to take the above information on records.

Thanking You

Yours sincerely,

For Mahanagar Gas Limited

  
**Atul Prabhu**  
Company Secretary & Compliance Officer



Encl: As Above

# NOTICE

**MAHANAGAR GAS LIMITED**

**CIN: L40200MH1995PLC088133**

**Regd. Off.: MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai -400051**

**Website: [www.mahanagargas.com](http://www.mahanagargas.com) | E-mail: [info@mahanagargas.com](mailto:info@mahanagargas.com) | Tel No. +91 22 6678 5000**

To,  
The Members

**NOTICE** is hereby given that the **Twenty-Seventh Annual General Meeting (AGM)** of the Members of Mahanagar Gas Limited will be held on Wednesday, August 24, 2022 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall be deemed to be registered address of the Company at MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (E), Mumbai -400051.

## ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.
- To confirm the payment of Interim Dividend of ₹9.50 per equity share, already paid and to declare the final dividend of ₹15.50 per equity share for the financial year ended on March 31, 2022.
- To appoint Statutory Auditors and fix their remuneration and in connection therewith, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including statutory amendments, modifications, variations or re-enactments thereof for the time being in force), and recommendation of the Audit Committee and Board of Directors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants

(Registration No.: 117366W/W100018), be and is hereby appointed to hold office as the Statutory Auditors of the Company for the term of 5 (five) consecutive years commencing from the conclusion of 27<sup>th</sup> Annual General Meeting up to conclusion of 32<sup>nd</sup> Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

## SPECIAL BUSINESS:

### 4. Ratification of Cost Auditors' remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including statutory amendments, modifications, variations or re-enactments thereof for the time being in force), the remuneration of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) (excluding out of pocket expenses, to be reimbursed up to 5% of basic fee) plus taxes as applicable, to M/s. ABK & Associates, Cost Accountants (Firm Registration No. 000036) for conducting Cost Audit of the Company for the Financial Year 2022-23 as approved by the Board of Directors of the Company, be and is hereby ratified;

**RESOLVED FURTHER THAT** the Board of Directors and/or any person authorised by the Board, be and is hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

## 5. To approve Material Related Party Transactions.

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable statutory laws (including statutory amendments, modifications, variations or re-enactments thereof for the time being in force), the Company’s Policy on Related Party Transactions, and based on the recommendation/ approval of the Audit Committee and Board of Directors of the Company and in partial modification to the resolution passed by the shareholders at 26<sup>th</sup> Annual General Meeting, approval of the Shareholders of the Company be and is hereby accorded for the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/

Agreement(s) entered into/ proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), with GAIL (India) Limited in ordinary course of business and on arm’s length basis, for an aggregate value up to ₹5,000 crore (for the Financial Year ending on March 31, 2023) and ₹6,200 crore (for the Financial Year ending on March 31, 2024);

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it to any Committee of Board of Directors and/or Managing/Whole-time Director of the Company or any person authorised by the Board and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

For **Mahanagar Gas Limited**

By Order of the Board

Place : Mumbai

Date : July 27, 2022

Sd/-

**Atul Prabhu**

**Company Secretary & Compliance Officer**

**Notes:**

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the companies to conduct the Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 27<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM. Central Depository Services (India) Limited ('CDSL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in notes below and is also available on the website of the Company at [www.mahanagargas.com](http://www.mahanagargas.com). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Since, the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Institutional/Corporate Members/ Governor of a State are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 112 and 113 of the Companies Act, 2013, at [27thagm@mahanagargas.com](mailto:27thagm@mahanagargas.com). The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 17, 2022 to Wednesday, August 24, 2022 (both days inclusive).

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

4. In accordance with, the General Circular No. 20/2020 dated May 05, 2020, General Circular No. 2/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 05, 2022 issued by MCA, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
5. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at [www.mahanagargas.com](http://www.mahanagargas.com), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
6. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 and 5 of the Notice, is annexed hereto.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The detailed

- instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  9. The Statutory Registers will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [27thagm@mahanagargas.com](mailto:27thagm@mahanagargas.com).
  10. Provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended from time to time), and in line with Circulars issued by the SEBI and Ministry of Corporate Affairs the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.
  11. Members may kindly note that the Company has made arrangement of dematerialization of its Equity Shares and the ISIN No. allotted for the same by NSDL and CDSL is INE002S01010. Members are requested to consider this and avail the facility of dematerialization of the equity shares of the Company held by them. Considering the amendment in the Regulation 40 of Listing Regulations, all the shareholders who continue to hold shares in physical form are advised to get the shares in Dematerialized as it is mandated that transfer of securities would be carried out in dematerialized form only. The investors are requested to contact to the Registrar & Transfer Agent in order to complete the process.
  12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar and Share Transfer Agent of the Company in case the shares are held by them in physical form.
  14. The Board of Directors, in its meeting held on February 08, 2022, had declared an Interim Dividend of ₹ 9.50 per equity Share of the face value of ₹10/- each, on the paid-up Equity Share Capital of the Company, for the Financial Year 2021-2022 and was paid on March 04, 2022 to all eligible shareholders as on record date i.e. February 18, 2022.
  15. Pursuant to the provisions of Section 91 of the Act, the register of members and share transfer books of the company will remain closed from Wednesday, August 17, 2022 to Wednesday, August 24, 2022 (both days inclusive).
  16. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made as under:
    - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Tuesday, August 16, 2022.
    - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Tuesday, August 16, 2022.
  17. The Final Dividend for the financial year ended March 31, 2022, as recommended by the Board, if approved at the AGM, will be paid within 30 days of the date of the 27<sup>th</sup> Annual General Meeting to those Members whose name appears in the Register of Members of the Company as on Tuesday, August 16, 2022.

18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in dematerialized mode).

The Tax Deducted at Source ('TDS') rate may vary depending on the residential status of the Shareholder and the documents submitted to the Company in accordance with the applicable provisions of the Act. The TDS for various categories of Shareholders along with required documents are provided in Table 1 and 2 below:

**Table 1: Resident Shareholders**

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident Shareholder (Note 4 and 5)	10%	Update valid PAN, if not already done, with depositories. No taxes will be deducted in the following cases - <ul style="list-style-type: none"> <li>• If dividend income to a resident Individual Shareholder during FY 2022-23 does not exceed ₹ 5,000/- (Note 2)</li> <li>• If Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with the documentary evidence in relation to the same (Note 3)</li> </ul>
Submitting Form 15G/ Form 15H	NIL	Resident Individual Shareholder providing Form 15G / Form 15H (applicable to an Individual whose age is 60 years or more during FY 2022-23) - on fulfilment of prescribed conditions. (Note 6)
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable (Note 7)
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income	NIL	Declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income and accordingly, is covered under section 196 of the Act, along with self-attested copy of registration certificate and relevant extract of the section whereby the income is exempt from tax.

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Mutual Funds specified under clause (23D) of section 10 of the Act	NIL	Declaration that it is a Mutual Fund specified under section 10(23D) of the Act and accordingly, is covered under section 196 of the Act, along with self-attested copy of registration certificate or notification, as the case may be.
Alternative Investment Fund (AIF)	NIL	Declaration that AIF income is exempt under section 10(23FBA) of the Act as it has been granted a certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012 or under the International Financial Services Centre Authority Act, 2019. Also, to provide copy of registration document (self-attested).
New Pension System (NPS) Trust	NIL	Declaration that NPS Trust income is exempt under section 10(44) of the Act. Self-attested copy of registration document for establishment of said trust under the Indian Trust Act, 1882 along with self-attested copy of PAN card.
Other resident Shareholder without PAN or having Invalid PAN (Note 8 and 9)	20%	-
Non-filers of income-tax return - section 206AB (Note 10)	20%	Non-compliance cast an obligation on the Company to deduct at higher rate

**Table 2: Non-resident Shareholders**

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation Requirement
Any non-resident Shareholder (Note 11)	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is beneficial	Non-resident Shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company: <ol style="list-style-type: none"> <li>Copy of PAN Card, if any, allotted by the Indian authorities.</li> <li>Self-attested copy of Tax Residency Certificate (<b>TRC</b>) valid as on the Record Date, obtained from the tax authorities of the Country of which the Shareholder is resident.</li> <li>Self-declaration in Form 10F</li> </ol>

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation Requirement
Submitting Order under section 197 of the Act	Rate provided in the Order	<p>d) Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit</p> <p>e) Self-declaration regarding "Principle Purpose Test" (if any) as applicable to respective Treaty</p> <p>f) Self-declaration as regards beneficial ownership</p> <p>In case of Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI), Self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI.</p> <p>TDS shall be deducted at 20% (plus applicable surcharge and cess), if any, if the above-mentioned documents are not provided.</p> <p>Lower/NIL withholding tax certificate obtained from Income Tax authorities.</p>

The formats for the above referred declarations can be downloaded from the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com). Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be uploaded with at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. No communication on the tax determination / deduction shall be considered after Tuesday, August 16, 2022 by 11:59 p.m. (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

**Notes:**

- (i) In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for tax deducted at source in Form 16A. The credit for tax deducted at source can also be verified by the Shareholder by verifying Form 26AS, after the statement of tax deducted at source is furnished by the Company and thereafter Annual Information Statement (Form 26AS) is updated.
- (ii) In case of any further dividend which is paid in the FY 2022-23 and considering the

amount of dividend payments made earlier, if the aggregate dividend pay-out exceeds ₹ 5,000/-, then, from the subsequent payment of dividend, the tax on the current as well as on earlier amount of dividend will be deducted and accordingly, the balance amount of dividend will be paid to the concerned Individual Shareholder.

- (iii) Reference is drawn to Circular No.18/2017 dated May 29, 2017 issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of TDS in case of entities whose income is exempt under section 10 of the Act.
- (iv) In case dividend income under the provisions of the Act is chargeable to tax in hands of any other person other than the Registered Shareholder, then, a declaration to that effect is required to be submitted in terms of Section 199 of the Act read with Rule 37BA of the Income Tax Rules, 1962. On such submission, the Company will deduct tax in the name of such person, which would be due compliance of law on the part of the Company.



(v) The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

(vi) The Company, in compliance with the provisions of the Act, will allot unique identification number and the declarations will be furnished along with the statement of deduction of tax to the income tax authority.

(vii) Insurance companies: The Life Insurance Corporation of India, The General Insurance Corporation of India, The National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited, The United India Insurance Company Limited and any other insurer as per section 2(28BB) of the Act. In case of any other insurer self-attested copy of registration is to be furnished. If shares are not owned but have full beneficial interest, then, a declaration to that effect.

(viii) Needless to mention, PAN will be mandatorily required. In absence of PAN / Valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.

(ix) In terms of section 139AA of the Act read with rule 114AAA, Aadhaar number is required to be linked with PAN by March 31, 2023. In case of failure of linking Aadhaar number with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%. Therefore, the shareholders are advised to link Aadhaar number with PAN if not done.

(x) TDS is to be deducted at higher rate in case of non-filers of Return of Income as per section 206AB of the Act which requires the Company to deduct tax at higher of the following rates in case of a 'specified person':

- At twice the rate specified in the relevant provision of the Act; or

- At twice the rates or rates in force; or
- At the rate of 5%; or
- At the rate 20%, if section 206AA is applicable

The 'specified person' means a person who has:

- not filed return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- Subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000 or more in the said previous year.

A non-resident who does not have a permanent establishment is excluded from the scope of a specified person. Accordingly, non-resident shareholders are requested to provide declaration in format-10 attached herewith if they do not have permanent establishment and hence should not be considered as specified person.

The Income Tax Department has through the reporting portal utility made available the list of 'specified person' for the purpose of section 206AB which shall be obtained at the time of deduction of Tax at Source and accordingly, those shareholders who are classified as a specified person under section 206AB, TDS on the dividend amount will be deducted at higher rate of 20%.

(xi) The provisions of the tax treaty rate shall be applied even if tax is deductible under section 196D. Therefore, under both sections i.e. section 195/196D, the treaty provisions can be applied, subject to submissions of documents as mentioned above. However, the Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts, if the completeness of

documents submitted by the non-resident Shareholder is not to the satisfaction of the Company, including not in accordance with the provisions of the Act. The Company, in compliance of section 195 of the Act, will furnish information relating to the payment of dividend and deduction of tax at source thereon in Form 15CA by the Company and 15CB by a Chartered Accountant, as applicable.

- (xii) In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return. No claim shall lie against the Company for such taxes deducted.
- (xiii) The above is only to facilitate the Shareholder so that appropriate TDS is deducted on the dividend amount in accordance with the applicable provisions of the Act.
- (xiv) Shareholders may have already noted the tax implications in case their PAN is not registered with the Company/RTA/Depository Participants including non-linking of Aadhaar and non-filing of Returns. Further, it may be noted that:
- a) In terms of section 139A of the Act, it is mandatory to quote PAN if tax is deductible on the dividend amount at source under section 194 of the Act. Such non-quoting shall attract penalty of ₹10,000/- under section 272B of the Act.
  - b) SEBI has mandated the submission of PAN by every participant in the securities market.
- (xv) Accordingly, Shareholders are once again requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts, in case of holding in electronic form.
19. Dividend will be preferably paid through National Electronic Clearing Service (NECS), wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the Members. In cases, where the dividend cannot be paid through NECS, the same will be paid by account payee/non-negotiable instruments.
20. To ensure timely credit of dividend through National Electronic Clearing Service (NECS) or dividend warrants/payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, to the respective depository participant in case of shares held in demat mode/to the Registrar and Share Transfer Agent of the company by visiting the link [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) in case of shares held in physical mode, on or before Tuesday, August 16, 2022.
21. The Board of Directors has appointed Mr. Upendra C. Shukla, Practicing Company Secretary (Membership No. F2727) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
22. Shareholders are requested to send their requests to Link Intime India Private Limited (Registrar and Share Transfer Agent (RTA) of the Company) at the following address:
- C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai - 400083, Maharashtra.
23. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
24. We request all the Members of the Company to update their bank account details and/or email address immediately with their respective Depository Participants in case of shares held in electronic form and with the Company's RTA in the case of physical holding.
25. Members are requested to correspond with Company Secretary or Company's RTA in case of claim of any unclaimed dividend. Members are requested to note that dividend not claimed

within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

26. The Company strongly believes in green initiative and in pursuance of the same members are requested to provide their e-mail address or update their existing e-mail address with their DPs in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent in case the shares are held by them in physical form, to enable the Company communicate with the Members in a better, eco-friendly and faster way.

Process for registering e-mail addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:

- (i) Registration of e-mail addresses with Link Intime India Private Limited: The Company has made special arrangements with the RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to the RTA on or before Tuesday, August 16, 2022 by visiting the link [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) and thereafter selecting the Company name 'Mahanagar Gas Limited'.
- (ii) Registration of e-mail address permanently with Company/DP: Members are requested to register the same with their concerned DPs, in respect of electronic holding and with the RTA, in respect of physical holding, by writing to them at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs /RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

- (iii) Alternatively, those Shareholders who have not registered their e-mail addresses are required to send an e-mail request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) along with the following documents for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this Notice:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
- In case shares are held in demat mode, please update your email id & mobile no. with your respective Depository Participant (DP).

### **INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:**

1. The remote e-voting period begins on Friday, August 19, 2022 at 09:00 A.M. (IST) and ends on Tuesday, August 23, 2022 at 05:00 P.M. (IST). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. Tuesday, August 16, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the record date.
2. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed

entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.**

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**A. Access through Depositories CDSL/NSDL e-Voting system in case of Individual Shareholders holding shares in demat mode.**

- (i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- (ii) Pursuant to above mentioned SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in **Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KFINTECH/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

### Type of shareholders

Individual Shareholders holding securities in demat mode with NSDL Depository

### Login Method

1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**B. Access through CDSL e-Voting system in case of shareholders holding shares in Physical Mode and Non-Individual shareholders in demat mode.**

- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
  - a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b) Click on "Shareholders" module.
  - c) Now enter your User ID
    - i) For CDSL: 16 digits beneficiary ID,
    - ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - iii) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - d) Next enter the Image Verification as displayed and Click on Login.
  - e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - f) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat form.**

PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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**For Physical shareholders and other than individual shareholders holding shares in Demat form.**

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for Mahanagar Gas Limited.
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- r) Additional Facility for Non-Individual Shareholders and Custodians (For Remote Voting only):
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to

log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [27thagm@mahanagargas.com](mailto:27thagm@mahanagargas.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
  2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
  5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request at [27thagm@mahanagargas.com](mailto:27thagm@mahanagargas.com) between Friday, August 12, 2022 (09.00 a.m. IST) and Tuesday, August 16, 2022 (05.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries at [27thagm@mahanagargas.com](mailto:27thagm@mahanagargas.com) on or before 3.00 p.m. (IST) on Tuesday, August 16, 2022 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.



8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

1. For Physical shareholders, please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [27thagm@mahangargas.com](mailto:27thagm@mahangargas.com) or RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders, please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders, please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory

while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

### **GENERAL GUIDELINES:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ucshukla@rediffmail.com](mailto:ucshukla@rediffmail.com) with a copy marked to [27thagm@mahangargas.com](mailto:27thagm@mahangargas.com).
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the record date i.e. Tuesday, August 16, 2022, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Company/RTA.

For **Mahanagar Gas Limited**

By Order of the Board

Place : Mumbai  
Date : July 27, 2022

Sd/-  
**Atul Prabhu**  
**Company Secretary & Compliance Officer**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

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

The Board on the recommendation of Audit Committee, in its meeting held on June 29, 2022, had approved the appointment of M/s. ABK & Associates, Cost Accountants (Firm Registration No. 000036) to conduct audit of cost records of the Company for the financial year 2022-2023 at a remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) (excluding out of pocket expenses, to be reimbursed up to 5% of basic fee) plus taxes as applicable, subject to ratification of remuneration by the shareholders.

M/s. ABK & Associates has the necessary experience in the field of cost audit and has submitted written consent and a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provision of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditor) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, approval of the members is being sought for the proposal of ratification of remuneration payable to the Cost Auditors, as set out in Item no. 4 of the Notice.

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

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

### Item No. 5

GAIL (India) Limited ("GAIL") is the largest state-owned gas transmission and marketing company in India and your Company purchases a substantial part of

its requirement of the natural gas from GAIL in the ordinary course of business and at arm's length basis. GAIL supplies entire domestic gas allotment provided by MOPNG to your Company at a price determined pursuant to MOPNG guidelines.

Further, your Company had entered into Term RLNG contract with GAIL for procurement of gas. Your Company also procures SPOT RLNG for its additional requirement through an approved competitive bidding mechanism from GAIL (India) Limited (GAIL) among other gas suppliers. Hence, it is not possible to ascertain the parties to whom the contract may be awarded and the amount of gas to be purchased from individual gas suppliers.

Your Company had obtained approval from the shareholders at the 26<sup>th</sup> Annual General Meeting for the agreements entered/ to be entered for purchase and transportation of Domestic Gas and Spot/ Term RLNG for an aggregate amount of ₹ 2,500 Crore for the financial year 2022-23. However, on account of volatility in the gas prices due to geo-political situation and currency depreciation, the cost of imported gas has surged. Consequently, it is estimated that the aggregate amount of the related party transaction with GAIL for purchase and transportation of gas may increase beyond the approved limit of ₹ 2,500 Crore during the financial year 2022-23.

In this regard, an estimated amount of gas to be purchased from GAIL during the financial years 2022-23 and 2023-24 is ascertained and submitted for the approval of the members as referred below.

GAIL (India) Limited may be treated as a Related Party to the Company for purchase and transportation of domestic gas and Spot/ Term RLNG pursuant to the provisions of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Pursuant to Regulation 23 of the Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last

audited financial statements of the Company, whichever is lower. Further, all material related party transactions shall require approval of the shareholders through ordinary resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Pursuant to provisions of the Listing Regulations, the transaction of purchase and transportation of domestic gas and Spot/ Term RLNG with GAIL (India) Limited, in ordinary course of business and on arm's length basis, for an aggregate value up to ₹5,000 crore (for the Financial Year ending on March 31, 2023) and ₹6,200 crore (for the Financial Year ending on March 31, 2024) is material in nature, per se, the same requires approval of the unrelated shareholders of the Company by an Ordinary resolution.

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

1	The name of the related party and nature of relationship [including nature of its concern or interest (financial or otherwise);	GAIL (India) Limited, Promoter
2	Name of the Director or Key Managerial Personnel, who is related.	-
3	Actual / Estimated Value of Transactions (for which approval sought)	<ul style="list-style-type: none"> <li>• ₹ 5,000 Crores (for the FY ending on March 31, 2023)*</li> <li>• ₹ 6,200 Crores (for the FY ending on March 31, 2024)*</li> </ul>
4	The nature, duration/ tenure of the contract and particulars of the contract or arrangement;	<p>Mahanagar Gas Limited is in business of City Gas Distribution; it purchases a substantial requirement of natural gas from GAIL (India) Limited. MGL purchases domestic gas through Government allocation of domestic Gas for CNG and Domestic PNG customers. MGL purchases SPOT RLNG through board approved process of competitive bidding system. Accordingly, Company has entered into various agreements with GAIL (India) Limited (GAIL) for purchase and transportation of natural gas.</p>

**A. Details of existing contracts entered with GAIL are as follows:**

**1. APM Agreement (for GA1,GA2 and GA3)- for use in CNG and D-PNG segments:**

- Nature: Long Term Gas Sales and Transportation Contract.
- Duration: July 06, 2021 - July 06, 2026.

**2. Non-APM (for GA1,GA2 and GA3)- for use in CNG and D-PNG segments:**

- Nature: Long Term Gas Sales and Transportation Contract.
- Duration: July 06, 2021 - July 06, 2026.

**3. Gas Sale Agreement (GSA) for supply of RLNG- (for GA1,GA2 and GA3) - for use in CNG and D-PNG segments:**

- GSA dated May 14, 2022
- Duration: May 16, 2022 till - July 06, 2026.

**4. Supplementary Agreements –(for GA1, GA2, GA3):**

- Supplementary Agreements for GA1, GA2, GA3 to supply pooled natural gas to MGL at Uniform Base Price (UBP) for use in CNG and D-PNG segments
- Supplementary Agreements for GA1, GA2, GA3 dated May 14, 2022
- Duration: May 16, 2022 till - July 06, 2026.

**5. Gas Sale Agreement (HH Portfolio GSA):**

- Nature: Term Gas.
- Date of signing the agreement: March 04, 2022.
- Duration: March 05, 2022 till - March 31, 2027.

**6. Gas Transmission Agreement:**

- GTA dated January 02, 2008.
- Duration: January 02, 2008 till January 01, 2033.

**7. SPOT RLNG Contracts (Spot Gas Sale Agreement):**

- Nature: Short Term Spot Gas Sales Agreement.
- Date of signing the agreement: October 01, 2021.
- Existing agreement valid till December 31, 2025.

**B. Other Contracts/ Transactions/ Agreements:**

Further, to meet requirement of natural gas as per business needs, company may enter into various Agreements (e.g. Gas Sale/ Purchase/ Transportation Agreements/ Extension to the existing agreements/ Hooking up Agreements/ pipeline connectivity/ CGS capacity enhancement related agreement/ any other business-related transactions approved by SMG).

<p>5 The material terms of the contract or arrangement including the value, if any;</p>	<p>Purchase of Domestic Gas/Pooled gas from GAIL is through Gas allocation by MoPNG.</p> <p>Purchase of SPOT RLNG is through a Board approved process of Competitive bidding in the ordinary course of business and on arm's length basis.</p> <p>Purchase of Gas from GAIL is as per the terms of the agreement/ term sheet.</p>
<p>6 Percentage of the MGL's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions</p>	<ul style="list-style-type: none"> <li>• 128.70% (for the FY ending on March 31, 2023)*</li> <li>• 159.59% (for the FY ending on March 31, 2024)*</li> </ul>
<p>7 Benefits of the proposed transaction</p>	<ul style="list-style-type: none"> <li>• GAIL is Nominee of Government of India for supply of APM/NAPM/ Pooled Gas for CGD companies.</li> <li>• Long term RLNG contract is executed with GAIL for optimization of gas sourcing portfolio, to reduce price volatility and provide stability &amp; security of gas supply.</li> </ul>

8	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with the related parties defined as per Section 2(76) of the Companies Act, 2013 ("Act") are reviewed and approved by the Audit Committee and Board based on the applicable provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Company's Policy on Related Party Transactions.
9	Any advance paid or received for the contract or arrangement, if any;	NA
10	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;	<p><b>1. APM (for GA1, GA2 and GA3) - for use in CNG and D-PNG segments:</b></p> <p>As per Article 13 of APM GSTA, subsequent in CGD policy Guidelines issued by MoPNG and Pricing orders/amendments from PPAC/MoPNG</p> <p><b>2. Non-APM (for GA1, GA2 and GA3) - for use in CNG and D-PNG segments:</b></p> <p>As per Article 13 of NAPM GSTA, subsequent in CGD policy Guidelines issued by MoPNG and Pricing orders/amendments from PPAC/MoPNG</p> <p><b>3. Gas Sale Agreement (GSA) for supply of RLNG- (for GA1, GA2 and GA3) - for use in CNG and D-PNG segments:</b></p> <p>As per Article 9 of GSA, subsequent in CGD policy Guidelines issued by MoPNG and Pricing orders/amendments from PPAC/MoPNG</p> <p><b>4. Supplementary Agreements - (for GA1, GA2, GA3) - for use in CNG and D-PNG segments:</b></p> <p>CGD policy Guidelines issued by MoPNG and Pricing orders/amendments from PPAC/MoPNG</p> <p><b>5. Gas Sale Agreement (HH Portfolio GSA):</b></p> <p>As per Article 11 of GSA</p> <p><b>6. GTA:</b></p> <p>According to the tariff orders of PNGRB</p> <p><b>7. SPOT RLNG Contracts (Spot Gas Sale Agreement):</b></p> <p>As per Article 9 of Spot GSA.</p> <p><b>8. Other Contracts/ Transactions/ Agreements (subject to finalization):</b></p> <p>Further, to meet requirement of natural gas as per business needs, company may enter into various Agreements (e.g. Gas Sale/ Purchase/ Transportation Agreements/ Extension to the existing agreements/ Hooking up Agreements/ pipeline connectivity/ CGS capacity enhancement related agreement/ any other business-related transactions approved by SMG).</p> <p>The aggregate value of the transaction(s) under such other contract(s)/ agreement(s) along with the contract(s) with GAIL, mentioned above shall not exceed the approved monetary limits for the respective financial years.</p>

11	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and	YES
12	Any other information relevant or important for the Board to take a decision on the proposed transaction.	-

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

The above proposal was approved by the Audit Committee and the Board of Directors vide resolution passed at their respective meetings held on June 28, 2022 and June 29, 2022.

The Board of Directors therefore recommends the resolution as set out in Item No. 5 of the Notice for approval of shareholders of the Company.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set out at Item No. 5 of the Notice, whether the entity is a Related Party to the particular transaction or not.

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

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

For **Mahanagar Gas Limited**

By Order of the Board

Place : Mumbai  
Date : July 27, 2022

Sd/-  
**Atul Prabhu**  
**Company Secretary & Compliance Officer**

# Responsibly energising lives



MAHANAGAR  
GAS





## Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



To know more about us in digital mode, scan this QR code in your QR mobile application.



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## Abbreviations

198-202



Website :  
[www.mahanagargas.com](http://www.mahanagargas.com)

# Responsibly energising lives

India, being a major global economy, is geared to play a critical role in the world's transition towards a more sustainable energy mix. In comparison to conventional energy sources, natural gas remains a preferred choice, fostering our commitment towards a greener future.

As India steps up its initiatives towards climate action and focuses on reducing its carbon footprint, we, at Mahanagar Gas Limited (MGL), are also contributing towards this objective by providing safe, efficient and reliable energy to our citizens.



Forging ahead for a sustainable tomorrow



Steering towards a greener future

We see ourselves as a value multiplier for the economy and society. 24x7 our solutions energise lives in myriad ways - from the kitchens of households to lakhs/thousands of public and private transport vehicles plying on roads, to even wide-spread industrial activities, empowering the society and fuelling the economy.

Safe and uninterrupted supply of gas to our customers is our constant priority. Therefore, we have put in place robust infrastructure, systems and processes, which match with the best in the world. Despite COVID-induced headwinds in FY21-22, we could fast-track our infrastructure creation efforts across our existing licence (authorised) areas, providing connectivity to thousands of domestic households. Barring the challenges posed by COVID-19 in the last two years, we have seen significant growth in the last 4-5 years. Now we have the capabilities to exceed that growth curve, thanks to rapid adoption of CNG across both public and private transport vehicles.

We have also adopted a Health, Safety & Environment (HSE) Management System, which provides a strong framework for sustainable improvement in our performance.

India's per capita energy consumption is one third of the global average, indicating potentially higher energy demand in the long term. Environmentally clean fuels, such as natural gas, are expected to play a dominant role in our country's economic growth in the coming years.

Encouraged by attractive fuel economics and favourable industry conditions, we are building on our strengths in terms of our distribution capacity and network, along with digitising our operations with adequate security layers for better consumer experience.

# Our value proposition



## Favourable industry conditions

The primary energy consumption in India has increased by 42% in the last decade. The rising demand for energy combined with the need for green fuel is catalysing our growth potential.



## Underpenetrated market

In India, the market for Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) is quickly expanding and also gas being used in a variety of industrial functions. Despite this, natural gas's percentage in India's energy mix is one of the lowest in the world. This provides us with a significant potential for growth in terms of market penetration.



## Robust infrastructure

Infrastructure plays a critical role in the natural gas supply chain and we have built over 6221 km of pipelines and 290 CNG stations. Our infrastructure exclusivity in Thane Urban and adjoining municipalities and its adjoining areas till 2030 and Raigarh till 2040 along with tariff flexibility will support future growth.





### Favourable regulatory environment

With the government authorisation to lay, build, operate or expand CGD networks, infrastructure exclusivity has provided us with the advantage to strengthen our presence. Further regulatory tailwinds like gas allocation for CNG and PNG requirements and price determination based on the market price of alternative fuel are helping us strengthen our operations.



### Sourcing strategy

Our diversified sourcing strategy in domestic & Industrial PNG and CNG is allowing us to reduce the procurement cost and ensure the gas supply continuity. Allocation policies including the Domestic Supply Agreement, allocation policy and market-linked policies is assuring the supply of gas for priority sector requirements.



### Impressive performance

We continue to undertake prudent financial management measures which empower us to maintain financial stability as well as fund our growth plans. Our consistent investment towards expanding our infrastructure is aimed at supplying clean fuel to more domestic and industrial/commercial customers and continues to create value for all our stakeholders.



# Energising lives for decades

Every night millions of people sleep in the hope for a better tomorrow, every morning we get them a step closer to that! We run your kitchens, power your vehicles and help run your factories. We are the green future and ambassador of a green environment. We are Mahanagar Gas Limited.

Founded in 1995, we are now one of India's leading City Gas Distribution Companies. We are the only authorised distributor of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) in Mumbai, Thane and the Raigad district of Maharashtra. We distribute CNG for automobiles as well as PNG for domestic, commercial, and industrial use. We are promoted by GAIL (India) Limited, the largest state-owned corporation processing and distribution of natural gas in India.



Fuelling the city with environment friendly fuel

## Highlights

₹**3,885** Crore  
Operational revenue

~**1,600** tonnes  
Emissions reduced per day

**491**  
Employees as of 31<sup>st</sup> March, 2022

₹**597** Crore  
PAT

**1,738**  
CNG dispensing points

**290**  
CNG stations

₹**3,164** Crore  
Expenditure

**1.86** million  
Domestic connectivity

**65** KW  
Natural gas-fuelled microturbine

**6,221** Kms  
Gas pipeline (steel and polyethylene)

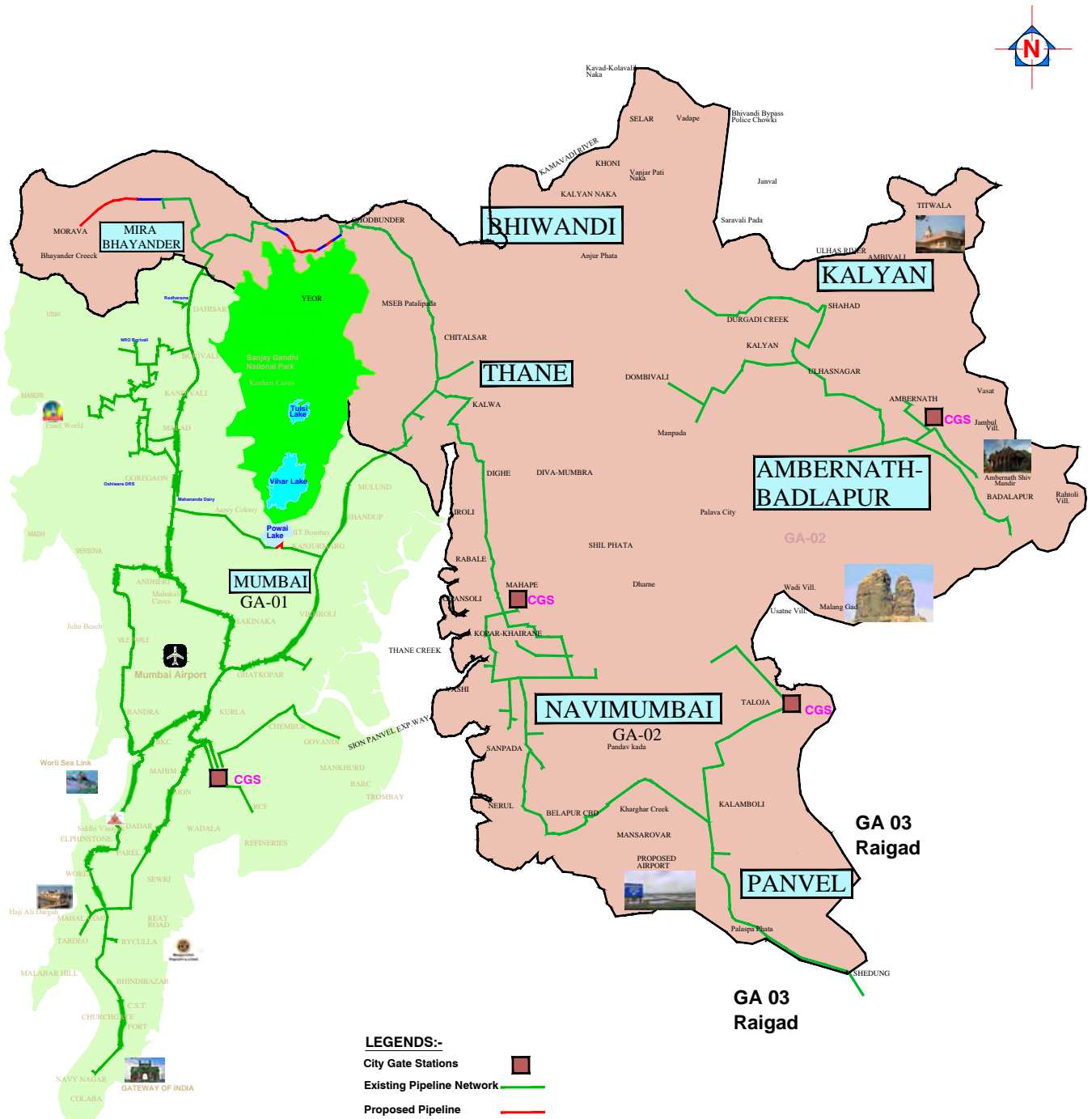


Our satisfied PNG customer



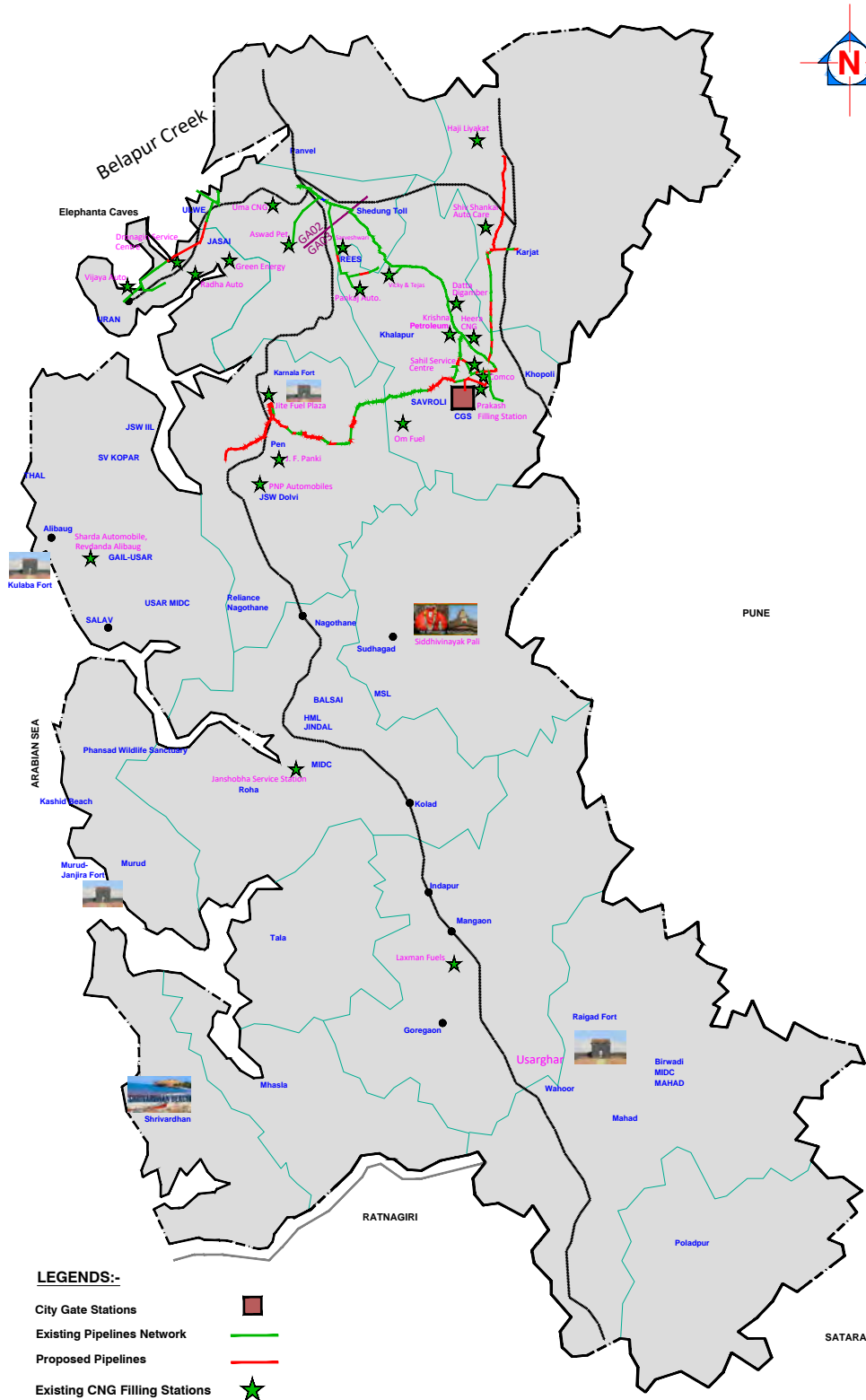
# Our Reach - Present and Future

## Geographical Area 1 - 2





## Geographical Area 3



# Value creation model



## Inputs



## Financial Capital

- Net Worth ₹ **3,597.32 Cr**
- Current Assets ₹ **1,845.12 Cr**
- Equity Capital ₹ **98.78 Cr**
- Liabilities ₹ **1,636.49 Cr**



## Manufactured Capital

- Gas network (MDPE + Steel) **6221 Km**
- PNG volume (inclusive of I&C) **0.89 MMSCMD**
- CNG Volume **2.11 MMSCMD**



## Human Capital

- Permanent Employees **491**



## Intellectual Capital

Utilization of digital innovation to improve customer satisfaction



## Social and Relationship Capital

- CSR Expenditure ₹ **8.58 Cr**
- CSR Projects **23**

## Outcomes

- Revenue ₹**3,884.90 Cr**
- PAT ₹**596.95 Cr**
- Market Capitalization ₹**7,700.72 Cr**
- EPS ₹**60.43**

- Domestic connectivity **1.86 Million**
- Commercial and Industrial connectivity **4339**
- CNG stations **290**

Number of Permanent Employees Trained:

- Safety 491
- Skill Upgradation 473

- Ease of payment for the customers
- Enhanced customer service
- Location tracking of CNG centres
- Paperless registration for customers

- Number of beneficiaries **1,26,000+**
- CSR Interventions **Health, Environment, Empowerment and Education**
- Areas benefited **Rural areas of Raigad district and Thane, Mumbai etc.**

# Our growth strategy





### Seeking growth opportunities

We are planning to implement innovative modes of gas supply including the hub and spoke method, cryogenic cylinders, building fuelling stations along highways and composite dispensing units. We are also planning to integrate modern technological solutions for the CNG segment. Our growth is further aided by the Petroleum and Natural Gas Regulatory Board's (PNGRB) agenda to expand City Gas Distributions (CGDs) across India. We are also looking for inorganic expansion in CGD through mergers and acquisitions.



### Cost effective and reliable sourcing agreement

We continuously monitor the cost of natural gas and endeavour to source natural gas in the most cost effective way. We are continuing with our commercially viable sourcing agreements for the cost benefits and continuous availability. The Ministry of Petroleum and Natural Gas's allocation policy and pricing guidelines for domestic gas have further strengthened our sourcing agreement. We are also involved in term and spot contracts for commercial and industrial usage.



### Increase market penetration

The growing aspirational population with high disposable income is expected to increase the demand for natural gas over the long term. We are expanding our reach by adding new customers for CNG and PNG, especially in Raigarh where we are already connected to more than 53000 domestic households and have operationalised 23 CNG stations. Additionally, the government's plan to remove LPG subsidies combined with savings in PNG is expected to further strengthen demand for PNG.



### Infrastructure development

We have been consistently investing in strengthening our infrastructure to cater to our customer base and also to improve the quality of our service. We are also incurring significant capital expenditure to expand our operations. We have planned to add over 1000 km of steel and polyethylene pipeline along with the addition of 150 CNG stations in the next five years in our existing market to strengthen our infrastructure to meet the growing demand for PNG and CNG.



Exploring new horizon for clean and green environment

# Chairman's message



“  
Your company is committed to continuously improve the skill set of its highly competent workforce to match its stakeholders' expectations.”

## Dear Shareholders,

The fiscal year 2021-22 proved to be quite eventful for your company, as it worked under continuing effects of the pandemic. CoVID pandemic came as a wakeup call for all of us to transform ourselves and amidst all these challenges, your company was able to ensure uninterrupted gas supply to its valued customers across all segments of CGD sector.

Your company's optimism for business growth is led primarily by the nation's growth. India is today the world's fastest growing economy with a near term GDP growth estimated at upwards of 7%<sup>1</sup>. A successful vaccination drive and improving macro-economic factors position the country to race towards its US\$5 trillion goal. The current geopolitical crisis has impacted the global energy supply, sending commodities prices to new highs. But with prudent macro-economic policy interventions, our country is handling the economic situation well. Soaring LNG costs near the end of 2021 has slowed gas consumption in commercial

and industrial sector, but buoyancy in consumer sector, with new grid connections is helping the demand to bounce back. India has now firmly established itself as an important country for global energy demand, ranking as the world's third largest primary energy consumer and its per capita demand is expected to see strong growth in near future.

Your company has continued to expand and strengthen its network in existing licensing areas. During the year, MGL has connected 2.62 lakh domestic households and added 24 new CNG stations. Your company now serves

<sup>1</sup>RBI Governor's Statement Dated 8th June 2022, [https://rbi.org.in/scripts/BS\\_PressReleaseDisplay.aspx?prid=53833](https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=53833)

PNG to 18.60 lakh households and supplies CNG through 290 CNG stations.

Along with this, your company also installed 305 kilometres of steel and PE pipelines, and added 301 new industrial and commercial customers in the current year.

The expansion of National Gas Grid has encouraged the use of natural gas as a fuel throughout the country and this is helping in the transition towards gas-based economy. The Government of India intends to substantially expand the natural gas pipeline network in the coming years and the successive CGD bidding rounds has already brought considerable part of the population under the prospect of gas usage. Our Government's consistent push towards natural gas based economy has created a sizeable market place for CGD companies.

In January 2022, your Company was able to achieve the cumulative inch-kilometre target as per PNGRB's minimum work program for Raigarh GA. This opens up significant opportunities for your company, as Raigarh district is going to witness rapid industrialization and urbanization due to a myriad of initiatives of the State and the Central Governments. We will continue to focus on expanding our network across more geographic regions in order to reach more

customer segments, which in turn will contribute towards your Company's financial growth.

Over the years your company has built a safe and healthy working condition for its employees. As your Company deals with hazardous commodity and operates in difficult environments, it promotes excellent Health, Safety & Environment (HSE) practises in all spheres of its operations. Your company adopts relevant techniques and methods and conducts periodic self-assessments, and implement all necessary corrective measures. This singular and consistent focus of your company on safety has led to creation of a distinct identity for itself.

Your company is committed to continuously improve the skill set of its highly competent workforce to match its stakeholders' expectations. Your company believes that its deep-domain knowledge, empowered and capable workforce, and strategies for long-term growth will ensure that your company weathers any adverse conditions affecting its business.

Your company continues to focus on upliftment of communities within its operating areas. MGL has continued to contribute and focus on Health, Education, Environment, and Empowerment through its community outreach programmes and projects, establishing the

attitude of care for the community for a sustainable and better tomorrow. With a vision of working for the benefit of society, MGL's ongoing efforts have positively impacted and enhanced lives, highlighting its dedication towards community building.

As your company marches along in its illustrious journey, it will continue to adapt and streamline its business structure to establish a distinct identity through scale, integration, technology upgradation and functional excellence. We are well positioned to deliver on various stakeholders' expectations while responsibly energising lives of people whom we serve.

Regards,

**Manoj Jain**  
Chairman

# Managing Director's message



“

As part of its growth strategies, your company looks forward to investing in building comprehensive CGD ecosystem.”

## Dear Shareowners,

I am delighted to bring to your notice the advancements of the year ended 31<sup>st</sup> March 2022.

Businesses worldwide had seen a turbulent time last year due to waves of Covid-19 pandemic and resulting economic turmoil. In spite of the challenges, your company had collectively put up a sterling physical and financial performance.

In the last fiscal your company has registered a consolidated revenue of ₹3,885 crore. EBITDA stood at ₹1,010 as against ₹1,014 crore in FY 2020-21 at an EBITDA margin of 25.4%. Your company's PAT stood at ₹596.95 crore over ₹619.57 crore in the previous year at a margin of 15.03%.

The second wave of the pandemic which hit upon us in Q1 of

FY 2021-22 had resulted in business disturbances and slowdown in country-wide economic activities. Your company's operations were also impacted due to COVID -19 related restrictions. Despite these challenges, your company was able to achieve new highs which earlier looked too difficult to achieve. Average sales volume for the year ended has been around 3 MMSCMD compared to



2.21 MMSCMD last year, resulting an increase of 35.64% compared to previous year.

Your company is committed to ensure uninterrupted supply of natural gas to all its consumers. As for physical performances of your company, MGL has successfully added 24 new CNG stations and upgraded 26 CNG stations, witnessing a growth of 49.39% in CNG sales volume. Your company successfully provided PNG connectivity to 2.62 lakh households and converted 1.20 lakh households, surpassing its previous records. MGL has also added 301 industrial and commercial consumers totalling the figure to 4,339. Your company registered an increase in sales volumes of 26.24% in the commercial and industrial sectors and 0.44% in the domestic sector.

In order to provide convenient CNG solutions to its customers, MGL has deployed a CNG Composite Dispensing Unit (CDU) at Ajivali near Panvel on old Mumbai-Pune Highway. This endeavour has allowed dispensation of CNG from relatively smaller land parcels. This effort of your company would be a boon for a space constrained metropolis, like, Mumbai. Your company has also issued a LOI for opening such CDU and is in

the process of issuing 02 more LOIs. With the introduction of the CNG Retail Outlet Policy, the groundwork has been done to speed up the process of opening new CNG stations on lease basis. This will provide enhanced security to retain the stations, even after expiry of marketing exclusivity. Additionally, in order to expand the user base in CNG, your company has proactively promoted the adoption of CNG in the commercial vehicle segment. This is a step forward towards encouraging the usage of a greener fuel in a sector which was earlier using alternative fuels. We are also striving to enhance the retro-fitment ecosystem for conversion to CNG vehicles, in Mumbai, by persuading retrofitters from other areas to establish a base in Mumbai. The first two of such retrofitters are in process of setting up their workshops for anticipated CNG conversion of MSRTC buses. Moving ahead, we expect that BS-VI petrol cars would be allowed to be retrofitted with CNG kits and your company is gearing up to serve such customers. Most of the OEMs have now started offering CNG variants in popular as well as premium vehicle models which is garnering lot of interest from the customers and this is a very positive development.

In FY 2021-22, your company achieved its highest ever capex spent of ₹632.25 crore as against earlier best of ₹414.29 crore achieved in FY 2019-2020. Your company's pipeline infrastructure has further expanded into GA-3 (Raigarh) and has successfully completed the Minimum Work Program of 1800 inch-km for GA-3 in January 2022. Along with the expansion of its network in GA-3, your company has converted its first domestic customer in Ulwe, paving the way for providing domestic PNG supplies to about 30,000+ domestic customers in Ulwe area. While your company shall be commissioning its first City Gate Station (CGS) of GA-3 located at Savroli within a few months, it is also working on opening new CGSs at Vile Bhagad and Usargarh to register its presence into the farthest reaches of GA-3.

As part of its growth strategies, your company looks forward to investing in building comprehensive CGD ecosystem. MGL is in the process of setting up two LNG stations. This, coupled with rollout of LNG commercial vehicles by other OEMs, will set the momentum in the medium to long term.

Your company has also marked its presence in the emerging electric vehicle space and to this end we have commissioned one EV charging facility at the CNG station at CGS, Sion that has begun charging both commercial and passenger electric cars. Continuing with the improvements in its operating capabilities, your company is also expanding its customer base. Among the many digital initiatives introduced, cyber security remains one of the focus areas- your company has taken significant initiatives to enhance its security layers. Your company has also released several in-house apps for its employees such as- MGL Connect app, MGL's field force management app and CNG station audit app etc. MGL Connect app has already witnessed around 2 lacs downloads and is providing our customers an enriching experience with added security. In line with our Nation's climate targets, your company has also started taking initiatives to develop the roadmap for an ESG program.

Your company had put in reasonably aggressive bids for 11<sup>th</sup> CGD bidding round, but was outbided by others. Government has recently issued revised guidelines to provide pooled natural gas

“Being one of the most experienced CGD players in the Indian market and serving one of the most economically developed regions of the country, your company is well equipped to seize the opportunities that lie ahead of it.”

(APM gas pooled with RLNG), to meet entire requirement of CGD sector. This has led to an increase in cost for procurement of gas which will result in to higher retail prices for CGD segments and may affect attractiveness of gas vis-à-vis alternate fuels. Other area of concern is expiry of exclusivity in your company's GAS. To mitigate the risk of loss of exclusivity, your company is committed to roll out infrastructure at a very fast pace and get strongly entrenched across all customer segments.

While your company remains strongly focused on its core areas of operations, it is also looking for

alternate and robust stream of revenue. Your company is guided by the strategic directions set out by the Board and the Management, and is putting its best efforts for taking discussions to a meaningful conclusion.

With the transition in energy portfolio, there are both opportunities and challenges in front of your company. Being one of the most experienced CGD players in the Indian market and serving one of the most economically developed regions of the country, your company is well equipped to seize the opportunities that lie ahead of it.

To conclude, I would like to mention that the challenges faced in the last two years have reinforced how every MGL's team member is critical to its continued success. Your company's employees' exemplary resilience, commitment

and character in maintaining productivity have led your company to generate profits while creating value for its shareholders even during difficult times. I hope, that this Annual Report provides you with a true sense of the

dedication of your company's efforts in consistently building the organisation.

Regards

**Sanjib Datta**  
Managing Director

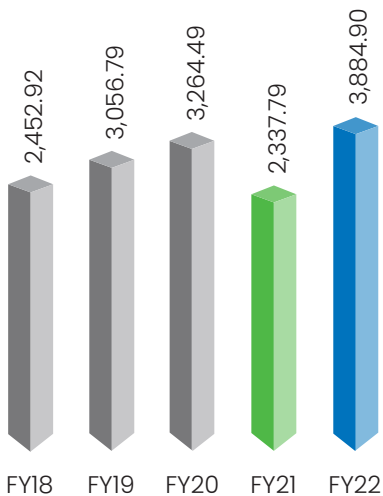


Fuelling for a pollution-free drive

# Financial performance

## Revenue (INR Crore)

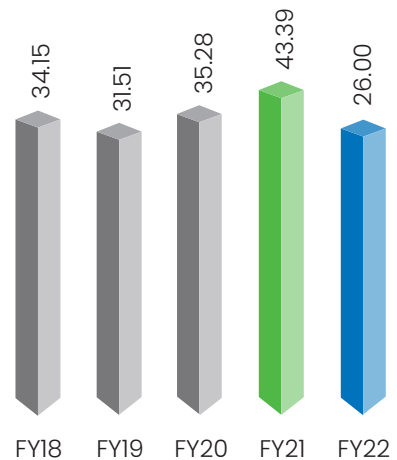
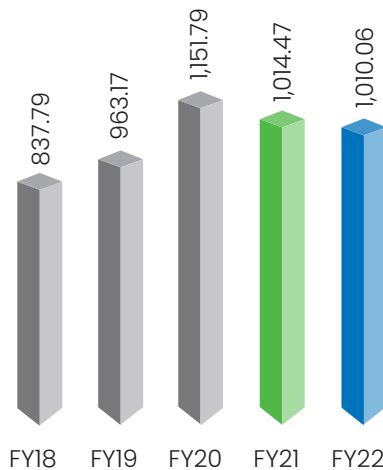
CAGR  
12.18% 



## EBITDA (INR Crore)

## EBITDA margin (%)

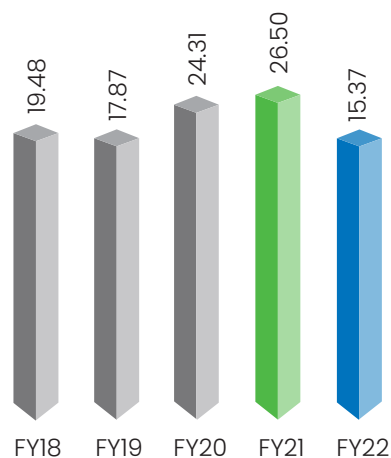
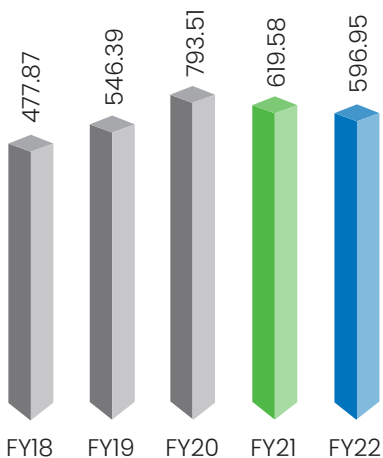
CAGR  
4.79% 



## PAT (INR Crore)

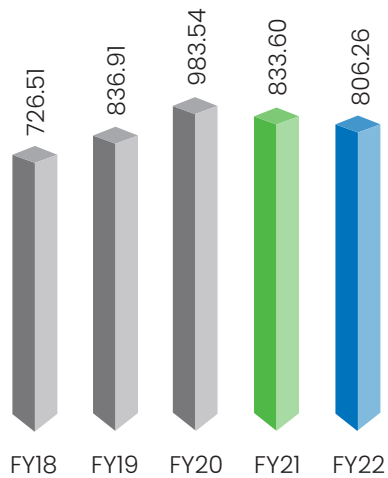
## PAT margin (%)

CAGR  
5.72% 

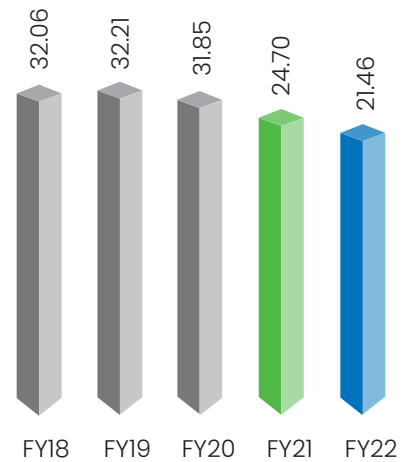


**PBT** (INR Crore)

CAGR  
2.64% 

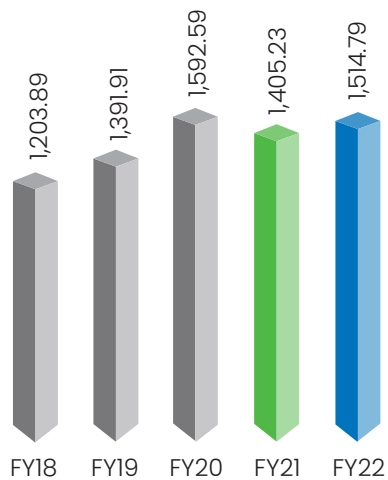


**ROCE** (%)

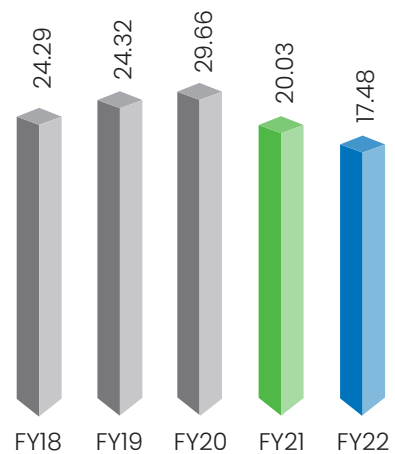


**Gross profit** (INR Crore)

CAGR  
5.91% 



**ROE** (%)



# Our operational performance

## Piped Natural Gas (PNG)

We are the pioneers of the natural gas distribution network in Mumbai, its adjoining areas and the Raigad district.

We are constantly striving to provide value to domestic customers through our wide network of pipelines, mainly comprising steel and polyethylene pipeline. We offer PNG to various domestic and commercial/ industrial applications. We efficiently satisfy the fuel requirement across the segments through our economical and green solution.

**6,221** Kms  
Gas pipeline (steel and polyethylene)

**1.86** million  
Domestic connectivity

### Domestic applications



Cooking



Water heating

### Commercial application



Hospitals



Industries



Hotels



Power generation

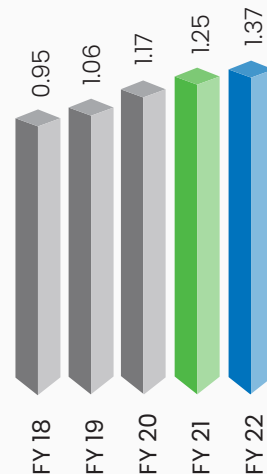


Charitable trusts

### Key Statistics:

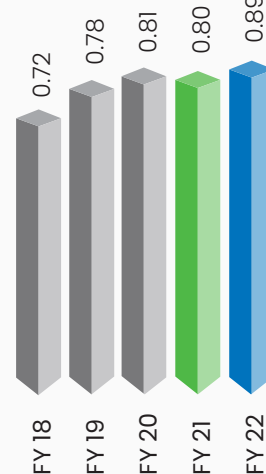
#### PNG Burning Customers

(INR million)



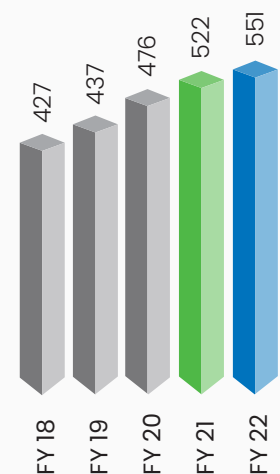
#### PNG Volume

(MMSCMD)  
inclusive of I&C



#### Steel Pipeline

(in Kms.)



### Highlights of FY 2021-22

- We improved our PNG coverage by adding **1,20,240** customers during the year, thereby taking our cumulative customer base to more than **1.37 million** households.
- We added **301** industrial and commercial customers in the reporting period and have reached over **4,075** small and large commercial and **264** industrial establishments.
- We signed a total volume of **~34000** SCMD PNG in Industrial, Commercial B and C category over the year, out of which **~22000** SCMD is commissioned.
- We recategorised the existing customers and new contracts were finalised in line with the revised Pricing Policy.

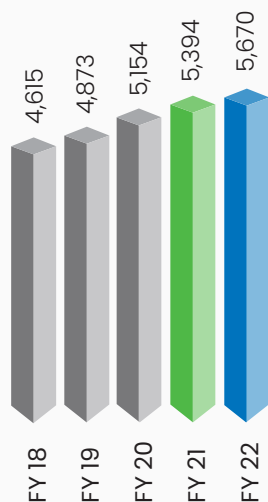
- Domestic conversions of **1,20,240** numbers were achieved in FY22, surpassing the previous high of 1,11,511 numbers in our history and exceeding the budgeted target of **1,13,000**.
- Successfully achieved the highest connectivity figure of **2,61,753** numbers surpassing the previous milestone figure of **1,98,194** numbers achieved in the FY 2019-20.
- Commercial A, Commercial B and Commercial C exceeded the budget targets that were set for the FY 2021-22.
- Successfully converted First Domestic Customer at Ulwe area in GA-III.
- Successfully Converted our first Domestic Customer in the Kalyan West area.

### Fuelling Growth-Fuelling Partnership



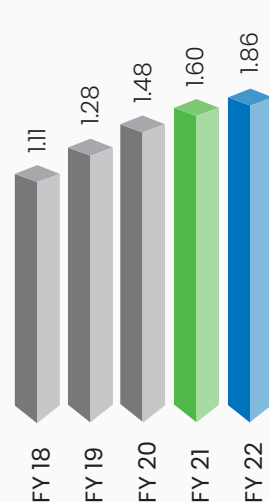
#### PE Pipeline

(in Kms.)(MP +LP)



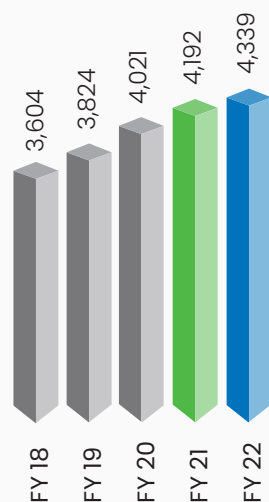
#### Domestic Connectivity

(Millions)



#### Commercial and industrial Customers

(Nos.)



### Future plan

- Adopt new technologies and best practices to augment our safety-first policy.
- Expedite the pipeline development program through digitisation of project planning and monitoring, improving our turnaround time.
- Continue to deploy methods to reduce methane emissions from gas infrastructure and operations.
- Enhance the customer experience through rollout of various digital interventions.
- Target to add 2 to 3 lakh households every year.

# Our operational performance

## Compressed Natural Gas (CNG)

CNG is a substitute for the auto fossil fuels such as petrol, diesel, auto LPG and more.

The natural gas is compressed and dispensed in vehicles at high pressure to enhance its vehicle onboard storage capacity. Most of the vehicles including rickshaws, taxis, buses and commercial vehicles are fueled by CNG. It is an economical and eco-friendly fuel and its availability in our geographical areas makes it a preferred fuel.

**290**

CNG stations

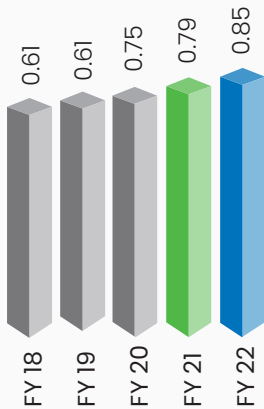
**1,738**

CNG dispensing points

### Key Statistics:

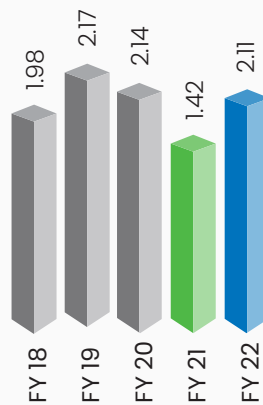
#### CNG Customers

(million)



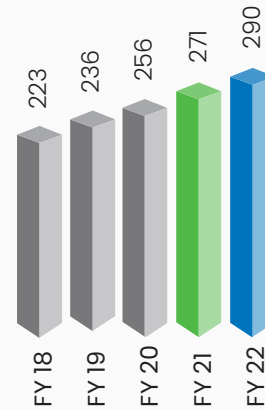
#### CNG Volume

(MMSCMD)



#### CNG Stations

(Nos)





## Highlights of FY 2021-22

- An Electric Vehicle (EV) charging facility was commissioned at our CNG Station at CGS, Sion on 9<sup>th</sup> February 2022. This facility is set up in collaboration with Tata Power Company Limited and is the first EV charging facility. The facility can charge Commercial and Passenger electric cars as per standard.
- We executed an agreement with M/s. Gujarat State Petroleum Corporation Limited (GSPCL) for term supply and successfully commenced gas supply of **6000 MMBTUD** from 16<sup>th</sup> December 2021. This will result in significant savings for us.
- We successfully executed a long term Gas Sales Agreement with M/s. GAIL (India) Limited for procurement of **15,000 MMBTUD** of Term RLNG for the period from 05<sup>th</sup> March 2022 to 31<sup>st</sup> March 2027. This Henry Hub linked gas would be replacing costlier Spot RLNG which will result in significant savings for us.
- On 31<sup>st</sup> March 2022, we purchased **3.638 MMSCMD** of Natural Gas, the highest gas purchased by us since incorporation.
- Successfully completed the Minimum Work Program (MWP) of **1800 Inch-km** in Raigarh GA.
- Successfully commissioned the first Online CNG station in GA-III - for M/s. Sarveshwari Petroleum, Somatane (HPCL).
- First Composite Dispensing Unit in India- M/s. Trimurti Pump & Service Station, Ajivali (HPCL).
- We acquired part of the 18<sup>th</sup> floor in "Parinee Crescenzo" (carpet area 18,424 sq.ft) as office space, a prominent commercial tower in the Bandra-Kurla Complex.
- We acquired 6 units of the 10<sup>th</sup> floor in "Zion" as office space (carpet area of 3545 sq. ft.), a prominent commercial tower in Kharghar.
- We augmented the capacity of **26** stations to serve an estimated **0.85 million** vehicles.
- We propelled the current compression capacity to about **39.27 lakh kg/day**, an increase in capacity by **2.92 lakh kg/day**.
- We have also expanded our network in Raigad with **23** CNG stations and have plans to add more stations in the coming financial year.

## Future plan

- Build capabilities to set up 50 CNG a year through project de-bottlenecking
- Design digital promotions and schemes to accelerate customer conversion
- We plan to expand the steel pipeline network to around 600 km, and the PE pipeline network to over 7,600 km

# Our operational performance

## CNG-Composite Dispensing Unit

We introduced India's first Composite Dispensing Unit (CDU) which was inaugurated virtually by Shri Dharmendra Pradhan, Hon'ble Union Minister for Petroleum and Natural Gas on 8th June 2021. We introduced the unit at Ajivali, near Panvel on the old Mumbai-Pune Highway

Our CDU is developed under the guidance of the Ministry of Petroleum and Natural Gas along with the active support of GAIL India Ltd and the Petroleum and Explosives Safety Organisation (PESO). The CDU has followed due processes and completed trial runs after receiving initial clearance from PESO. Our CDU is equipped with CNG filled cascade enclosed securely with safety systems along with instrumentation and control systems. The unit incorporates a dispensing unit and a reciprocating pump for boosting the pressure during the delivery of CNG.

Compressed Natural Gas (CNG) is rapidly gaining popularity as the pollution-free fuel for fuelling vehicles and due to increasing demand, customers need to wait in long queues at some CNG stations. In urban areas, where scarcity of land restricts the setting up of more CNG stations, our CDUs are ideal vehicles to serve customers faster at their place of convenience

whenever and wherever. Our CDU can be driven to various customer locations like residential buildings, garages of fleet owners, open parking areas of malls, business complexes or similar customer locations to fuel the vehicles during the vehicle's idle time.

Developed under a partnership business model, our first CDU was operated in association with Uttam Luxfer India Private Limited. Also, we plan to expand its fleet with prospective business partners across Mumbai Metropolitan Region in near future.

### Capacity

# 150

Cars can be refuelled

# 350

3 Wheelers can be refuelled

### MGL Hat-trick Yojna

As India's leading Natural Gas Distribution Company, we launched an incentive scheme "MGL Hat-trick Yojana" for promoting the usage of CNG in Commercial vehicles. This scheme was serve on a first come first serve basis to all new buyers or vehicle owners upgrading their commercial vehicles to CNG from petrol/ diesel. This incentive was offered on a pre-loaded MGL fuel card.

# 35%

Fuel-saving

# ₹40,000

Additional Incentives

CNG Composite Dispensing Unit



# Human Resource

We believe that our greatest asset is our employees who play a critical role in creating long-term value for our stakeholders. To be competitive and successfully implement our business strategy, we recruit, develop, and retain talented employees.

We provide a safe, productive, and conducive environment in which our employees can learn and grow their skills and talents. The skills, experience, diversity, and competencies of our employees enable us to operate safely, reliably, and sustainably while meeting our growth objectives.

## 491

Employees as of 31<sup>st</sup> March 2022

## Employee Engagement

We strengthened our employee engagement journey and constantly practiced for employee satisfaction during the fiscal year under review. To improve employee satisfaction and engagement, we evaluate employees using a variety of testing techniques designed to allow them to demonstrate the skills and abilities essential for success in their role. The outcomes

of the Assessment Centres have been used to facilitate skill enhancement through training and development, Career Progression, etc. Our Company also focuses on attracting and retaining talent in the emerging competitive scenario and its impetus is on selection of quality talent through multiple channels. Transparent and effective

communication is given due priority for ensuring team-based working and promoting a culture based on trust and confidence. We also encourage our employees and recognise their exceptional contributions by providing various rewards.



Interaction with Employees



## Inclusiveness and Diversity

We aim to incorporate a sensitive, unbiased and equitable work culture. We believe that inclusion and diversity are essential qualities in a strong, future-proof business. We strive to maintain a healthy level of gender diversity at all levels of our organisation, in addition to providing a welcoming and supportive environment for people of different ethnicities and backgrounds. Our approach to inclusion and diversity is intended to ensure that our policies and actions permeate all areas and levels of the organisation. Our framework for talent acquisition, progression, retention, and leadership visibility are all pervaded by an inclusive culture. We believe that diverse teams led by inclusive leaders are more proficient and, as a result, deliver better safety and business performance.

# 9.7:1

Gender diversity ratio



Training & Development of Employees

## Training and Development

We continue our drive for a high-performing culture, and our compensation competitiveness ensures the attraction, retention, and motivation of key talent across the organisation. To remain successful as a business, we need a sustained long-term pipeline of key talent hence we prioritise upskilling our existing workforce.

We conduct periodic training to empower our people in order to increase their visibility of our strategic goals and ensure that their individual performance is aligned with the strategy. Our annual training includes a mix of technical, functional, and behavioural programmes that are based on training needs identified

through a collaborative effort between employee and manager while keeping organisational and personal growth in mind. MGL has conducted trainings on various topics for 25,861 Permanent/Casual / Temporary / Contractual employees during the year 2021-22. The training topics include Safety and Technical Competency, Fire Fighting, First Aid, Road Safety, Electrical Safety, Disaster Management etc. The training has been imparted to various types of manpower including Site Supervisors, Project Managers, Technicians, Labourers, Helpers, Site Engineers, Safety Officers electricians, carpenters, plumbers etc. deployed by contractors for MGL work.

# Human Resource

## Employee Safety

We maintain a zero-harm approach across our operations, as we place a strong emphasis on adhering to our corporate Health, Safety, Environment, and Quality Policy. As a result, we have developed injury prevention, transportation, and fire safety programmes while strictly adhering to our integrated HSE and risk management system.

We provide Safety and Technical Competency (STC) training, which is an integral part of our business operations since it provides steadfast knowledge to work safely in all of its business operations. Every employee receives training on safety precautions in their specific area. The STC training includes a practical exercise as well as a Hazard Identification and Risk Assessment that aims to ensure that every working site is free of incidents and injuries.

In the event of an incident, we investigate the situation and devise preventative measures. Information about incidents is communicated to all of our employees and contractors, and necessary preventive actions are communicated throughout the organisation in the form of regular safety alerts and the implementation of additional control measures.



Empowering women through self-defense



## Our Certifications

### ISO 45001:2018

for Occupational Health & Safety Management system

### ISO 14001:2015

for Environmental Management System

### ISO 9001:2015

for Quality Management Systems

# ESG Journey



## Environment

The carrying capacity of the global ecosystem is severely overburdened in a world with limited supplies and rising energy demand. To alleviate the burden and reduce our carbon footprint, Mahanagar Gas Limited (MGL) strives to adopt and promote the use of a dependable, efficient, and cleaner fuel – to responsibly sustain the use of greener sources of energy.

### Committing to a greener future

Natural gas remains a viable alternative to traditional energy sources, bolstering our commitment to a greener future. Taking advantage of changing preferences, we continue to look for new ways to ensure a steady supply of environmental friendly fuel.

### Transitioning to a low carbon economy

We provide natural gas, a cleaner fuel that contributes to a

low-carbon transition and encourages the people to choose PNG and CNG over conventional energy sources that emit more pollution. The use of CNG in our supply areas reduces vehicular emissions/pollutants by approximately 1600 tonnes per day, making a significant environmental improvement. We have been able to reduce our customers' emissions as well because natural gas is a relatively benign fossil fuel.

**~1600** tonnes  
Emissions reduced per day





Additionally, we have also increased the capacity of the Taloja Solar Power Plant by 30KW, which has reduced our conventional energy consumption. Simultaneously, we have an environmental friendly initiative where we completed the installation of a natural gas-fueled microturbine at the MGL office, with the exhaust heat being utilised for centralised air conditioning leading to less power being consumed from the grid.

**65**

KW

Natural gas-fuelled microturbine



# ESG Journey



## Social

As a company, we are dedicated to the socio-economic development of the communities in which we operate. Our stewardship commitment focuses on making a good impact on both people and the environment. We willingly aspire to enrich our local communities through our CSR projects in order to assure their development and uplift underserved communities. Our community development CSR programmes are focused on a few key areas. We are also striving to provide our employees with a safe and healthy work environment. We foster skills in our employees through regular training and development initiatives and help them achieve successful careers.



Caring for the community - Eye checkup camp for Auto Drivers

## Our CSR initiatives

### MGL Arogya

Our CSR activity in the field of Health has helped Nair hospital at Mumbai Central. We helped by bridging the gap and improving the infrastructure of the Cardiology Department under our "MGL Arogya" health initiative. We also provided other

equipment including 3-Channel and Advanced ECG Machines, Temporary Pacemaker Machines, Activated Clotting Time Machine, BMV balloons, Defibrillators and others. These equipments have increased their efficiency and also the precision of carrying out

procedures and helped to give better results. This helped the weaker section of society to gain better cardiac treatment.

**₹1.77** Crore

Expenditure planned under MGL Arogya

## Project Vikas

We have adopted 6 villages (Aptwane, Zap, Vavloli, Barje, Adulse and Chikhalgaon) in the Raigad district of Maharashtra under our project 'Vikas Initiative'. These have encouraged us to build a strong community and provide upgraded living experiences to the citizens. Our main focus is on providing improved sanitation, good health, quality education, strengthening of infrastructure and enhanced livelihood. A recent visit by our Senior Management

to Chikhalgaon and Adulse and interaction with the residents of these villages resulted in increased enthusiasm among them.

Chikhalgaon witnessed the inauguration of a renovated school and an Anganwadi. We also undertook other community-driven activities such as strengthening water sources, installation of solar street lights, installation of community dustbins, and creating drainage systems. Our Senior

Management members interacted with students and teachers of the local Zilla Parishad school and inaugurated an Anganwadi in Adulse. This school has observed significant improvement in its ranking and currently stands third in the district, due to the overall support received under the project. A total of 7,000 Individual from 1134 families are covered in the project Vikas.

# 7,000

Individual from  
1134 Beneficiaries

# 100%

Enrollment of children in  
school.

# 95%

Proper learning level.

# 80%

Households have toilets  
inside the house.

# 68

meetings and training  
conducted

# 1,000

Families practising kitchen  
gardening



MGL Cardiology ward at MCGM Nair Hospital dedicated to the people

# ESG Journey



## Governance

Since our inception, good governance has been an integral part of how we conduct business at MGL. Our Corporate Governance Philosophy is founded on adherence to the highest standards of transparency and business ethics, which are an integral part of our initiatives in our ongoing pursuit of excellence through a safe environment, dependable energy supplies, customer delight, and stakeholder value creation.

## A robust value system

We are committed to implementing best practices in corporate governance and adhering to them in full spirit and at all times. MGL's governance practices demonstrate strong stakeholder commitment, which is supported by a robust value system that is deeply embedded in our thought process. We believe that good governance results from the use of sound management practices that promote transparency.

## Strong commitment by our top management

We believe that the highest standards of corporate governance are achieved when individual Directors and the Board as a whole act ethically and in

accordance with the business's values. We adopt a strong corporate governance culture, and our top management sets the right tone, which serves as strong pillar for excellence.

## Ensuring transparency

Our philosophy ensures transparency in all transactions as well as the operation of the Strategic Management Group, the Board, and its committees. The Corporate Governance philosophy has been strengthened further by the policies of various stakeholders, MGL's Code of Conduct and Code of Internal Procedures and Conduct for regulating monitoring, and reporting insider trading.

## Our compliant policies and processes

We believe that Corporate Governance is a continuous process that extends beyond the scope of the legislation. As a result, policies and processes that are consistent with this philosophy are in place to establish, shape and maintain appropriate governance standards and behaviours throughout the company.



Strengthening business relation with external stakeholders

# Board of Directors



**Mr. Manoj Jain**

Chairman



**Mr. Sanjib Datta**

Managing Director



**Mr. Sanjay Shende**

Deputy Managing Director



**Mr. Baldev Singh**

Nominee Director –  
Government of Maharashtra



**Mr. Syed S. Hussain**

Independent Director



**Mrs. Malvika Sinha**

Independent Director



**Mr. Rajeev Bhaskar Sahi**

Independent Director



**Mr. Venkatraman Srinivasan**

Independent Director

# Board of Directors

## Mr. Manoj Jain Chairman

Mr. Manoj Jain, a Mechanical Engineering Graduate and MBA in Operations Management possesses rich and diverse experience encompassing more than 34 years in the areas of Business Development, Projects, O&M, Petrochemicals, Pipeline Integrity Management and Marketing which has allowed him to gain insight and knowledge across multiple business units and functional areas. As Chairman of Mahanagar Gas Limited, Mr. Manoj Jain is also currently Chairman and Managing Director of GAIL (India) Limited, Chairman of GAIL GLOBAL (USA) Inc. (GGUI), GAIL GLOBAL (USA) LNG LLC (GGULL), Brahmaputra Cracker and Polymer Limited and GAIL Gas Limited and Director of Petronet LNG Limited.

In his previous stint as Director (BD), he was responsible for building GAIL's Business Portfolio in India and abroad, Merger and Acquisition, Petrochemical O&M and Expansion, Exploration & Production, R&D, Start-Up, Health Safety & Environment management, Quality Management, Project Development including feasibility study and investment approval for new pipelines, process plants, renewables etc.

Mr. Manoj Jain was responsible for Gas Marketing activities in his role as Executive Director

(Marketing-Gas). He also spearheaded the installation and commissioning of the USD 1.4 Billion grassroots Petrochemical complex, as Chief Operating Officer of Brahmaputra Cracker and Polymer Ltd. (BCPL).

Earlier, Mr. Jain worked in Operation & Maintenance at the Corporate Level for a number of years and his experience includes managing logistics of Gas Business with a perspective of Operation and Management of all pipelines of company and in the process played a significant role in establishing the National Gas Management Centre (NGMC) and systems and procedures for transmission and marketing of comingled gases.

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## Mr. Sanjib Datta Managing Director

Mr. Sanjib Datta has been appointed as Managing Director on the Board of Mahanagar Gas Limited (MGL) with effect from May 30, 2018.

Before joining MGL, Mr. Sanjib Datta has been heading the Business Development functions in GAIL (India) Limited as an Executive Director.

He has more than 35 years of experience in handling multifarious assignments in the natural gas sector covering diverse functions like, Business Development,

Marketing, Project Development and Construction as well as Operation & Maintenance of Pipelines and LNG Terminal.

His assignments in GAIL covered Merger & Acquisition initiatives as well as steering of Globalization and Diversification efforts. He steered GAIL to its successful participation in a shale gas asset in USA and also headed the team instrumental in finalizing the gas supplies and tolling service agreements pertaining to the LNG liquefaction project at Cove Point. Mr. Sanjib Datta also handled GAIL's initiatives to import of gas into India through the TAPI pipeline apart from overseeing GAIL's investments in China, Egypt and Myanmar in the areas of city gas distribution and cross country pipeline.

In India, Mr. Sanjib Datta has led GAIL's forays into the solar business and has also steered GAIL's initiatives in diverse areas, like, floating LNG regasification terminals, LNG shipping, gas based power generation, petrochemicals and specialty chemicals etc. As a Project Manager, he had handled GAIL's participation in the restructuring and revival of the Dabhol Project after departure of Enron.

Mr. Sanjib Datta has rich board level experience and has served on the Boards of GAIL Global (USA) Inc., a wholly owned subsidiary of GAIL through which GAIL is channelizing its business initiatives in E&P and

# Board of Directors

LNG sourcing in USA and also on those of South East Asia Gas Pipeline Company, TAPI Pipeline Company Limited, National Gas Company Limited and Fayum Gas Limited. Besides, he has also been GAIL's nominee Director on the Board of ONGC Petro-additions Limited.

Mr. Sanjib Datta holds a Bachelor's degree in Electrical Engineering from Jadavpur University, Kolkata.

## Mr. Sanjay Shende

Deputy Managing Director

Mr. Sanjay Shende has been appointed as Deputy Managing Director on the Board of Mahanagar Gas Limited with effect from May 24, 2021.

He has a rich, illustrious career in B2B sales, exports, and marketing spanning almost three decades. He is a trained civil engineer and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Lucknow.

He started his career in GAIL at the petrochemical complex at Pata, UP during the commissioning phase to establish the logistics/ supply chain for polymer. Subsequently, in 2000, he Joined Mumbai Zonal office looking after polymer sales in Maharashtra and Goa turning this region into one of the top three sales zones for GAIL. He was

instrumental in starting Deemed export of polymers in GAIL. Also during the construction phase of Dahej Uran Dabhol Pipeline, taking lead position, started inhouse compounding for three layer PE coating using GAIL' HDPE for coating the line pipes.

Post commissioning of the Dahej Uran Dabhol Panvel pipelines (2008) and the arrival of RLNG in the Maharashtra and Goa market, he spearheaded RLNG sales.

In 2011, he joined GAIL's Ahmedabad Zonal office and was in charge of marketing for the Natural Gas, Polymer & Liquid Hydrocarbons in Gujarat market that contributed close to 25% of GAIL's total revenue. From 2015 to 2018, he was posted in the petrochemicals marketing group at Noida in charge of formulating various policies and looking after the pricing of polymers.

Since 2018 he was heading GAIL's Hyderabad zonal office looking after the marketing activities for GAIL as well as boundary management in Andhra Pradesh and Telangana before joining MGL.

## Mr. Baldev Singh

Nominee Director –  
Government of Maharashtra

Mr. Baldev Singh has been appointed as Nominee Director of Government of Maharashtra on the Board of Mahanagar Gas Limited (MGL) with effect from April 28, 2021.

Mr. Baldev Singh, an Indian Administrative Services (IAS) officer of the 1989 batch belonging to the Maharashtra cadre has Graduated in Bachelor of Arts (Economics); Masters in Business Administration with specialization in Finance and Marketing; Short term training courses from International Institute of Social Studies (ISS), Netherland in Governance, Democratization & Public Policy and from Berkeley (UCB), California, in Domestic Funding of Foreign Training (DFFT).

He is presently working as the Additional Chief Secretary (Industries), Industry, Energy and Labour Department. Prior to this he held the post of Chief Electoral Officer (CEO) of Maharashtra.

In his career spanning more than 30 years he has served the State and the Country handling various positions. Some of the key profiles he held in the past are Development Commissioner, Santa Cruz Exclusive Export Processing Zone (SEEPZ), Special Economic Zone (SEZ) Mumbai under the Department of Commerce and Principal Secretary, Labour Department, Government of Maharashtra.

# Board of Directors

## **Mr. Syed S. Hussain** Independent Director

Mr. Syed S. Hussain has been appointed as an Independent Director on the Board of Mahanagar Gas Limited (MGL) with effect from September 09, 2019.

Mr. Syed S. Hussain graduated in B.A. (Hons.) in English and M.A. in English from University of Mumbai. He has also completed his M.Sc. in (Admin Sciences and Development Problems) from York University, U.K. He belongs to 1976 Batch of Indian Administrative Services (IAS). Mr. Hussain was Vice-Chairman and Managing Director of City & Industrial Development Corp. of Maharashtra Ltd. (CIDCO). He has worked as a Chairman of Jawaharlal Nehru Port Trust Navi Mumbai (Ministry of Shipping, Government of India).

Prior to taking over the charge of Additional Chief Secretary, GOM, he has held the posts of Principal Secretary of Revenue, Forests and Rural Development.

He was awarded with "Business Leader of the Year - Ports" Award at Leadership & Excellence Awards, Shipping, Marine & Ports 2010 and bestowed with "Maritime Gateway - Major Port of the Year" Award consecutively for two Years. JN Port also received "Enterprise Excellence Award 2007-2008", instituted by the Indian Institution of Industrial Engineering. Mr. Hussain was also

awarded Gold Medals as Collector Latur.

## **Mrs. Malvika Sinha** Independent Director

Mrs. Malvika Sinha has been appointed as an Independent Director on the Board of Mahanagar Gas Limited (MGL) with effect from August 24, 2021.

Mrs. Malvika Sinha holds Masters' Degree in Public Administration from Princeton University, USA and an MA from Mumbai University. She is also a Certified Associate of the Indian Institute of Bankers.

She was a career central banker for over 38 years. She retired as Executive Director (Reserve Bank of India) in February 2020. As Executive Director, she was in charge of the Human Resources Development, Foreign Exchange Department and the Internal Debt Management Department. As in-charge of Human Resources, she was responsible for recruiting, postings, promotions, training, industrial relations and policies for around 15,000 employees (officers and support staff) of the RBI. She was also CEO of the Deposit Insurance and Credit Guarantee Corporation, a subsidiary of the RBI.

During her tenure at the Reserve Bank of India, she has overseen the regulation and supervision of Banks, NBFCs and Cooperative Banks. She was RBI's Nominee

Director on the Board of State Bank of Bikaner and Jaipur before its merger with SBI. She was also on the Governing Council of Institute of Banking and Finance as well as Institute of Banking Personnel Selection.

## **Mr. Rajeev Bhaskar Sahi** Independent Director

Mr. Rajeev Bhaskar Sahi has been appointed as an Independent Director on the Board of Mahanagar Gas Limited (MGL) with effect from August 24, 2021.

He did his Post Graduate Program (MBA) - Finance and Marketing from Indian Institute of Management, Ahmedabad in 1981 and Marketing Management Program - Brand Management and International Marketing from Columbia Business School, USA (Columbia University) in 1994.

He has over 35 years of experience with companies in the petroleum, media, hospitality, education and retail sectors, across multiple functions including Corporate Planning, Operations, Logistics, Finance, Sales and Marketing, Organizational Restructuring and Grassroot Project Implementation. Tenure includes over 15 years at President / CEO Level.

He is currently a Volunteer at Ramakrishna Mission based at



# Board of Directors

Mumbai. He was CEO of Kwality Group of Companies, New Delhi from 2012 to 2016. He was CEO of Career Knowledge Resources (CKR), Mumbai from 2010 to 2011. He was CEO of International Business of Esselgroup based at Arlington, Texas: 2008-2009. He was President, Retail Petroleum Business at Reliance Industries (RIL) from 2001 to 2007. He has held various positions including General Manager at Bharat Petroleum from 1981 to 2001.

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funds and financial institutions and public sector organisations as well in advisory in the areas of Direct Tax, Company Law, the Competition Act, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters. He was co-opted as a Member of the Expert Advisory Committee (EAC) of the ICAI for the year 2021-22. He was a member on the Panel of Special Group formed by the Financial Reporting Review Board (FRRB) of ICAI for the year 2013-14.

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## **Mr. Venkatraman Srinivasan** Independent Director

Mr. Venkatraman Srinivasan has been appointed as an Independent Director on the Board of Mahanagar Gas Limited (MGL) with effect from August 24, 2021.

He is a Fellow member of the Institute of Chartered Accountants of India. He did his graduation in Commerce Sydenham College of Commerce and Economics, Mumbai. He Participated in Programme on "Audit Committees in the New Era of Corporate Governance" in August, 2010 conducted by Harvard Business School.

He is a Partner in V. Sankar Aiyar & Co. He is engaged in audit and assurance practice and direct tax and corporate advisory services since 1984. He specializes in statutory audits of banks, mutual



# Senior Management Team

## Mr. Rajesh P Wagle

### Senior Vice President- Marketing

Mr. Rajesh P Wagle is the Head - Marketing of our Company. He joined our Company in July, 2002. He holds a Bachelor's degree in Chemical Engineering from the Indian Institute of Technology Bombay. He also holds a Master's degree in Computer Science from the University of Illinois at Urbana Champaign. At our Company, he is the Functional Head of the Marketing, Corporate Communication and CRM Groups. Prior to joining our Company, he has worked with Quantum Information Systems Limited, Enron India Private Limited and GAIL (India) Limited.

## Mr. Srinivasan Murali

### Senior Vice President - Operation & Maintenance

Mr. Srinivasan Murali is the Head - Operations and Maintenance of our Company. He joined our Company in October, 2002. He holds a Bachelor's Degree in Technology in Mechanical Engineering from IIT(BHU) formerly IT-BHU. He also holds a Diploma and an Advanced Diploma in Management, and Diploma in Financial Management

from Indira Gandhi National Open University. At our Company, he looks after of Operations, Maintenance, online domestic connection, CNG upgradation and Metering Departments and is responsible for providing leadership management and direction for all activities related to operating and maintaining our Company's assets safely and with maximum uptime. Prior to joining our Company, he has worked with Bilt Chemicals Limited, Cabot India Limited, Cement Corporation of India Limited and Indian Aluminium Company Limited.

## Mr. T L Sharnagat

### Vice President - Contracts & Procurement and Chief Risk Officer

Mr. T L Sharnagat is Head - Contracts, Procurement, Inventory Management & Stores Management and Chief Risk Officer of our Company. He joined our Company in May, 2008. He holds a Bachelor's Degree in Mechanical Engineering from Government College of Engineering Jabalpur. He also holds MBA degree in Marketing Management. He is Certified Professional in Supply Chain Management (CPSM) from ISM USA. He possesses Diploma in Exports Management. He is responsible for

providing leadership, management and direction for all Supply Chain, Inventory and Procurement activities for the organization. Mr. Sharnagat has around 30 years of experience in Purchasing, Contracts, Imports, Inventory Management which includes multi-domain expertise like SAP implementation. Prior to joining us, he was working with organizations like L&T and GAIL (India) Limited.

## Mr. Chakrapani Atmakur

### Vice President - HR & CSR

Mr. Chakrapani Atmakur is Vice President - Human Resources & Corporate Social Responsibility of our Company. He joined our Company in January 2019. He is an MBA in HR from SK University, Anantapur, AP. He is Function Head of Human Resources responsible for guiding, managing and providing strategy on people function for the organization. Mr. Chakrapani has rich experience of over 28 years in entire gamut of HR. Prior to joining us, he was working with organizations like SI Group (I) Pvt Ltd, Owens Corning (I) Ltd and M/s Indian Petrochemicals Corporation.

# Senior Management Team

## Mr. Gurvinder Singh

### Vice President – Projects

Mr. Gurvinder Singh is a certified Project Management Professional (PMP) with over 29 years of rich experience in Oil & Gas. He is BE (Mechanical) from Punjab Engineering College, Chandigarh and has also done MSc (Environmental Sciences). At MGL, he is the Functional Head of PNG Projects, Steel Projects, LNG and CNG projects. Prior to joining MGL, he has worked in Nayara Energy Limited (formerly Essar Oil Limited) and Bharat Petroleum Corporation Limited. He has held various positions in Construction, Retail Design and Engineering, Marketing, Business Development, Operations and HSE.

## Mr. Manas Das

### Vice President – Business Development & Commercial

Mr. Manas Das is the head of Business Development & Commercial Functions in our company. He joined Mahanagar Gas Limited in September, 2020. He is a Chemical Engineer from IIT Kanpur and has an MBA in International Business from Indian

Institute of Foreign Trade, New Delhi. He comes with an experience of 29 years in the fields of Mergers & Acquisitions, Corporate & Strategic Planning, Marketing, Business Development, Organizational Transformation, Learning & Development and Plant Operations. His previous assignment was with M/s ValuEndow Consulting Private Limited, a Management Consulting firm as MD & CEO. Prior to that he was associated with M/s Kuwait Petroleum Corporation as Strategy Advisor and with M/s GAIL (India) Limited in various leadership roles in Marketing, Business Development, Strategic Planning, Organizational Transformation and Operations. In MGL, he is responsible for all activities related to Business Development, Strategy, Commercial (including gas sourcing and pricing) and Regulatory matters.

## Mr. Rajesh D. Patel

### Chief Financial Officer

Mr. Rajesh D. Patel is the Chief Financial Officer of our Company. He joined our Company in April, 2009. He holds a bachelor's degree in commerce from the University of Mumbai. He is the Fellow member of the Institute of

Chartered Accountants of India (FCA), Associate member of the Chartered Institute of Management Accountants of United Kingdom (ACMA, CGMA) and Graduate member of the Institute of Cost Accountants of India.

He is the functional head of Finance & Accounts and manages finance, accounting, costing, budgeting, revenue & taxation and a team member for achieving strategic objectives of the Company.

Prior to joining MGL, he was General Manager (Finance) with Adani Infrastructure and Developers Private Limited. He has also worked with Crompton Greaves Limited, Philips India Limited, and Adlabs Films Limited. He has an overall experience of 27 years in the areas of finance, accounting, costing, management information systems, taxation, and internal audit. Apart from this, he has experience of teaching finance and related subjects at St. Xavier's College, Mumbai.

# Corporate Information

## Board of Directors

**Mr. Manoj Jain**

Chairman

**Mr. Sanjib Datta**

Managing Director

**Mr. Deepak Sawant**

Deputy Managing Director  
(up to April 05, 2021)

**Mr. Sanjay Shende**

Deputy Managing Director  
(w.e.f. May 24, 2021)

**Mr. Baldev Singh**

Nominee Director  
(w.e.f. April 28, 2021)

**Mr. Syed S. Hussain**

Independent Director

**Late Mr. Premesh Kumar Jain**

Independent Director  
(up to April 20, 2021)

**Mrs. Malvika Sinha**

Independent Director  
(w.e.f. August 24, 2021)

**Mr. Rajeev Bhaskar Sahi**

Independent Director  
(w.e.f. August 24, 2021)

**Mr. Venkatraman Srinivasan**

Independent Director  
(w.e.f. August 24, 2021)

## Chief Financial Officer

**Mr. S. M. Ranade**

(up to October 31, 2021)

**Mr. Rajesh Patel**

(w.e.f. November 01, 2021)

## Company Secretary and Compliance Officer

**Mr. Atul Prabhu**

## Bankers

AXIS Bank  
Bank of India  
HDFC Bank Ltd  
The Hongkong & Shanghai  
Banking Corporation Limited  
ICICI Bank Limited  
IDBI Bank Limited  
IndusInd Bank  
Kotak Mahindra Bank Limited  
Punjab National Bank  
Standard Chartered Bank  
State Bank of India  
Union Bank of India  
Yes Bank Limited

## Statutory Auditors

**M/s. SRBC & CO LLP**

Chartered Accountants  
12<sup>th</sup> Floor, The Ruby, 29 Senapati  
Bapat Marg, Dadar (West),  
Mumbai – 400 028

## Cost Auditors

**M/s. ABK & Associates**

Cost Accountants

## Secretarial Auditors

**M/s. Dholakia & Associates LLP**

Company Secretaries  
A/302, Sarvodaya CHSL,  
Bldg No. 11, Nr. P.F. Office,  
Khernagar, Bandra (E),  
Mumbai- 400051

## Registrar & Share Transfer Agent

**M/s. Link Intime India Private Limited**

C 101, 247 Park, LBS Marg, Vikhroli  
(West) Mumbai – 400 083

## Registered Office

MGL House,  
Block No. G-33,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051

# Management Discussion and Analysis



## Global economic review

Despite the second wave in CY2021, the year has seen tremendous improvement compared to the total lockdown in CY2020. According to the IMF, global economic production is expected to expand by 6.1 percent in 2020, after contracting by 3.4 percent in the previous year.<sup>1</sup> The rapid spreading of another variant of the novel coronavirus may lead to imposition of fresh mobility restrictions, which might induce renewed economic disruptions. However, Russia's invasion of Ukraine carries enormous risks for a world economy that's yet to fully recover from the pandemic shock.

Following the Russian invasion of Ukraine, several countries /blocks like US, EU, Japan, UK, etc. imposed sanctions on Russia. The war has also affected the global economy, as prices of commodities, including food, energy, and metals have soared. Russia and Ukraine are top players in the global markets for basic food, energy, and metal products. It is only natural that with the ongoing conflict continuing, global commodity prices would balloon further. The prices for commodities such as wheat, natural gas and crude oil have substantially surged following the Russian

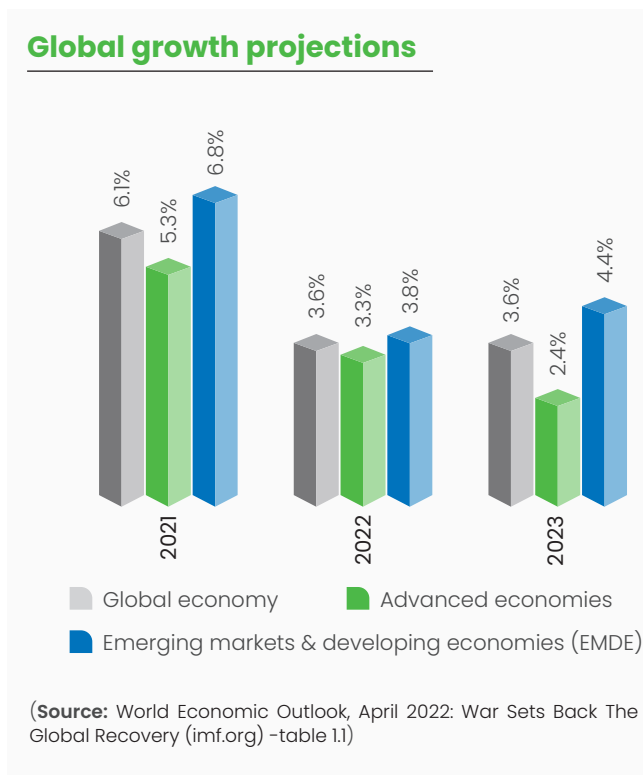
<sup>1</sup> World Economic Outlook, April 2022: War Sets Back The Global Recovery (imf.org)

invasion and passing of sanctions. Rising fuel prices and continued supply disruptions have resulted in higher and more broad-based inflation than expected, notably in the US, other developed economies, as well as emerging markets and developing economies. Inflation rates in the EU and the US hit record highs, reaching 6.2%<sup>2</sup> and 7.9%<sup>3</sup> in February, CY22. Experts are of the opinion the inflation rates could go higher and can seriously dent the broad-based economic growth.

According to the IMF, following a 3.4 percent decline in CY20, the global economy rose by 6.1 percent in CY21, the fastest pace of expansion in more than four decades. However, due to persistent geopolitical tensions and the prospect of new waves, the global economy is expected to grow at just 3.6 percent in CY22 and CY23.

The global economy expanded by

**6.1%** in CY21



World GDP in CY21 was 1.9 percent higher than in 2019, but still 3.3 percent below the level expected before the epidemic. However, these growth estimates conceal significant differences in the rate of recovery between nations and regions. Global production rebound in CY21 was mostly driven by healthy consumer expenditure and moderate investment uptake. Goods trade recovered and surpassed pre-pandemic levels. However, by the end of CY21, growth momentum had slowed significantly, notably in key economies such as China, the EU, and the US, as the benefits of fiscal and monetary stimulants had worn off and serious supply chain disruptions had surfaced.

### Indian economy overview

Despite the well-crafted fiscal and monetary policy assistance, the Indian economy was impacted by the new wave of COVID-19, resulting in a 7.3 percent decline in FY21. Backed by strong fundamentals and steady growth in consumer demand, the Indian economy battled the deadly second COVID wave and the rapidly spreading third one and is expected to have grown at 8.9% in FY22. This estimate is lower than the earlier estimates but still, India is growing rapidly.<sup>4</sup>

With the increase in vaccination rate, supply side reform such as deregulation of numerous sectors, removal of legacy issues like 'retrospective tax', simplification of processes, privatisation, production-linked incentives, and successful implementation of agricultural reforms like Pradhan Mantri Kisan SAMPADA Yojana, Digitisation of the bidding system etc, will help the Indian economy to grow and expand.

**8.9%**

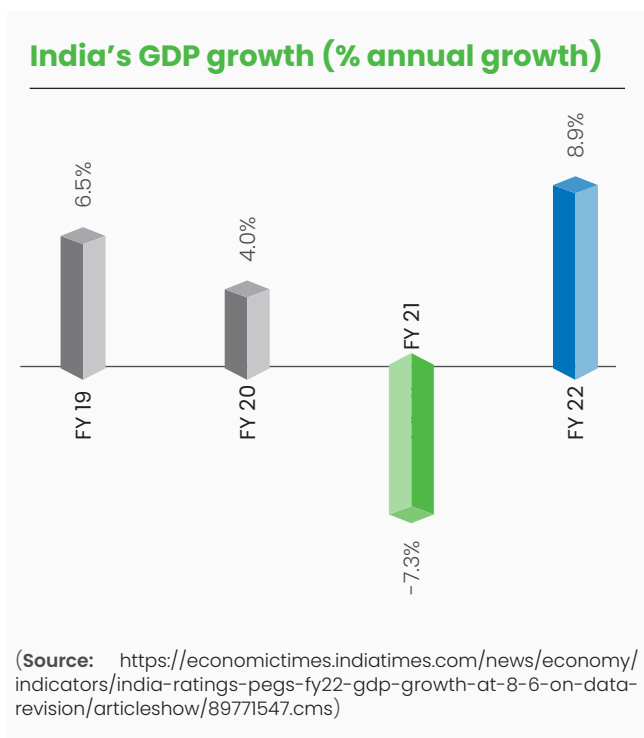
Revised estimated growth in FY22

(World Economic Outlook, April 2022: War Sets Back The Global Recovery (imf.org))

<sup>2</sup> Annual inflation up to 5.9% in the euro area - Products Euro Indicators - Eurostat (europa.eu)

<sup>3</sup> Consumer prices for food up 7.9 percent for year ended February 2022 : The Economics Daily: U.S. Bureau of Labor Statistics (bls.gov)

<sup>4</sup> World Economic Outlook, April 2022: War Sets Back The Global Recovery (imf.org)



With the prediction of limited resurgence of COVID-19 in India, the economy is once again poised for sequential expansion amidst continued policy support. Growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance), and increased infrastructure spending are expected to lead to a strong multiplier effect on jobs and income, higher productivity and more efficiency, leading to accelerated economic recovery and growth. Furthermore, the growing emphasis of the government on 'Made in India', various government incentives such as lower taxes and rising services exports riding on the back of stronger digitisation and technology transformation drive across India and the world, are likely to bolster growth.

However, concerns surrounding the weakened household demand and weaker corporate balance sheets may dampen growth prospects. The economic

slowdown triggered by the outbreak of the virus is believed to have had a significant impact, especially on poor and vulnerable households.<sup>5</sup> The recovery of the Indian economy would also depend on the pace at which these households recover. The experts also opined that India's economic growth could be negatively impacted by the recent Russia-Ukraine crisis. Inflation is also another area of concern for the economy, as India has been battling inflation for a while now. And, the geopolitical crisis can complicate matters. Crude oil prices are lingering above USD100 per barrel and edible oil prices has also gone up – both of which are critical imports from the two warring nations. Growing capital outflows and rising import bills will weigh on the current account balance and currency valuation.

Nevertheless, the spill-over effect of the Ukraine-Russia crisis on the Indian economy is that it can help India emerge as a preferred alternate investment destination especially given the ambivalent position of china on world stage. Global houses and multinationals, for instance, may prefer India especially due to its market size & current production linked incentives (PLI).

*Increased infrastructure spending is expected to lead to a strong multiplier effect on jobs and income, higher productivity and more efficiency*

## Indian Oil and Gas industry overview

The Indian Oil & Gas industry being one of the eight core sectors of the Indian economy directly correlates with the growth of the economy and plays a major role in influencing decision-making for all the other important sectors of the economy.

As per IEA, India, with a population of ~1.4 billion, will see largest increase in energy demand due to an expanding economy, population, urbanisation and industrialisation. This growing demand is majorly met through import of oil and Natural Gas (NG). India

<sup>5</sup> India Overview: Development news, research, data | World Bank



also continues to develop the institutional framework needed to attract the investment required to satisfy the growing oil and NG need of the nation. Further boost to the oil and gas demand is expected to be provided by the improved mobility across the nation owing to increased driving activity. India has the second largest refinery capacity in Asia, with a refining capacity of 250 million metric tonnes (MMT),<sup>6</sup> yet India stands third in terms of energy and oil consumption after China and the US. The country is also the fourth largest importer of liquefied natural gas (LNG).

Despite being the third largest energy consumer<sup>7</sup> in the world, India's per capita energy consumption is lower than the world average, indicating a significant opportunity for growth for the Indian oil & gas and energy sectors. With such potential, the oil & gas industry will play a crucial role in meeting the energy demand for the growing economy.

## 8.2%

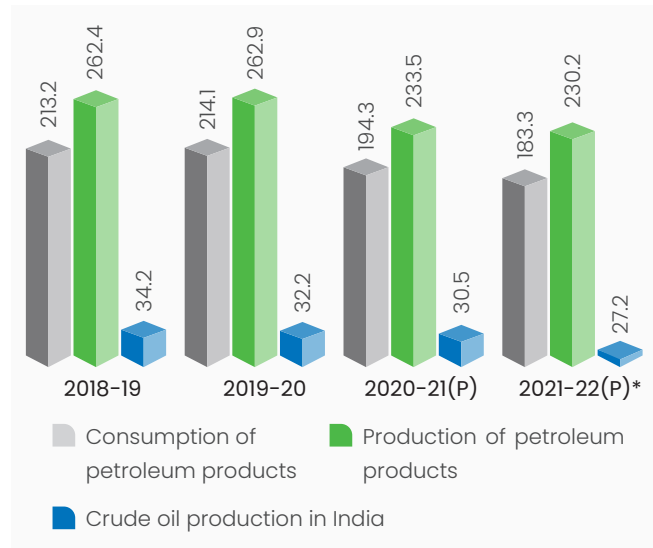
Projected jump in India's oil demand

**Source:** <https://www.bloombergquint.com/business/indias-oil-demand-set-to-rise-in-2022-unfazed-by-inflationary-risks>

### India's crude oil & petroleum products scenario (in MMT)

With India lacking in oil and gas resources domestically, it imports nearly 80% of its oil requirement and 50% of its natural gas requirement. To reduce this high import dependency, the Ministry of Petroleum and Natural Gas (MOP&NG) has introduced a slew of policy measures – introduction of Hydrocarbon Exploration Licensing Policy (HELP), allowing contractual flexibilities with Production Sharing Contracts (PSCs), setting up of National Data

Repository (NDR) and recently exempting operators from revenue-sharing with government in unexplored category II and III basins. These measures have helped improve the business environment for exploration and production (E&P), but the industry needs many more such government initiatives to increase indigenous oil and gas production and enhance 'Aatmanirbharta', with fiscal and regulatory reforms.



**(Source:** <https://www.ppac.gov.in/WriteReadData/Reports/202203241051031244608SnapshotofIndiasOilandGasdataFebruary2022.pdf>)

In the gas domain, India aims to become a gas-based economy by broadening energy access for masses as well as decarbonising existing energy sources. On accessibility front, the government introduced multiple city gas distribution (CGD) rounds, and with the completion of the 11<sup>th</sup> round (in Jan 2022), over 95% of population and over 85% of geographical area would potentially be covered by CGD.<sup>8</sup> However, there are still some growth barriers, namely gas allocation issues, inadequately connected infrastructure, and imperfect tariff regimes. To address connectivity challenges, the government has undertaken many

<sup>6</sup> <https://www.iea.org/reports/india-energy-outlook-2021>

<sup>7</sup> <https://www.iea.org/reports/india-energy-outlook-2021>

<sup>8</sup> <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1811907>



pipeline expansion projects, however, many of these projects have witnessed delay in completion because of unfavourable viability.

Key policy measures undertaken by the Government to support these projects:

- structured economic viability support programme for key pipelines,
- single window approval mechanisms for multi-state pipelines, and
- accelerated asset monetisation structures to finance new infrastructure

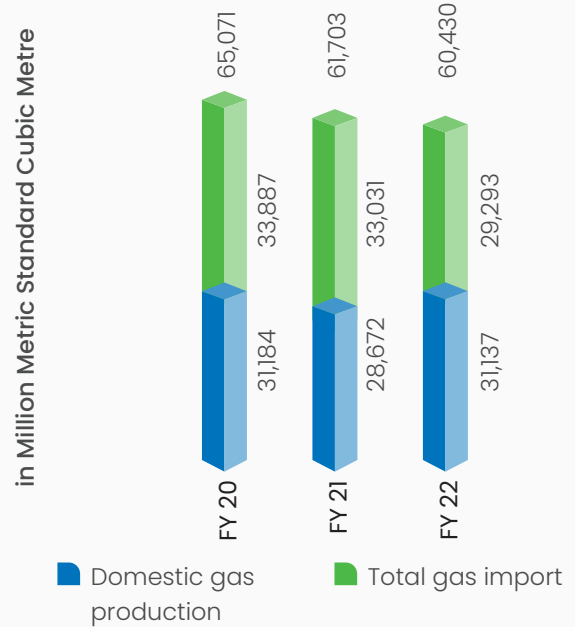
In addition, the government is pushing the decarbonisation agenda with the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative to increase compressed biogas (CBG) production to 15 MMT by FY23.<sup>9</sup> Under this scheme, the government aims to set up 5,000 CBG plants. This will not only increase domestic gas volumes (as it can be blended with natural gas), but also reduce carbon footprint by reusing biomass, enabling waste management and giving a boost to rural economy and employment. However, the progress on CBG production initiative, so far has been sub-par.



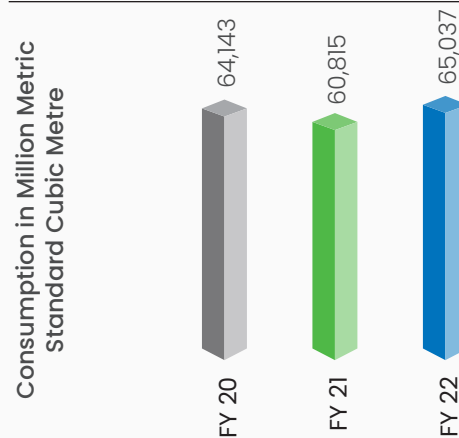
City Gas Station at Taloja

<sup>9</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1674428>

### India's domestic gas production and import



### Natural Gas Consumption



(Source: <https://www.ppac.gov.in/WriteReadData/Reports/202205270126161368750SnapshotofIndiasOilandGasdataApril2022Upload.pdf>)

\*As of April 2022 | All figures in Million Metric Standard Cubic Metre (MMSCM)

According to the International Energy Agency (IEA), consumption of natural gas in India is expected to grow by 25 billion cubic metres (BCM), registering an average annual growth of 9% until FY24.<sup>10</sup> India's cumulative natural gas production from April to January of FY22 stood at 28.53 BCM.<sup>11</sup>

## Key industry developments

Some of the major initiatives undertaken by the Government in FY22

- In November 2021, India announced that it will release 5 million barrels of crude oil from its strategic petroleum reserves in an effort to bring down global crude oil prices. This is roughly equivalent to a day's consumption in the country.
- The government plans to invest USD 2.86 billion in the upstream oil and gas production to increase natural gas production to 60 BCM and drill more than 120 exploration wells in the year 2022.
- In September 2021, India and the US agreed to expand their energy collaboration by focusing on emerging fuels. This was followed by a ministerial conference of the US-India Strategic Clean Energy Partnership (SCEP).
- In FY22, Indian government approved oil and gas projects worth ₹1 lakh crore (USD13.46 billion) in Northeast India. These projects are expected to be completed by FY25.
- To boost investment in the Indian oil & gas sector, the Department for Promotion of Industry and Internal Trade (DPIIT) allowed 100% foreign direct investments (FDIs) under automatic route for oil and gas PSUs.

- Petroleum and Natural Gas Regulatory Board (PNGRB) has authorised about 33,764 km of natural gas pipeline network across the country out of which 19,998 kilometres pipelines are in operation with another 15,369 kilometres in various stages of construction.

## India's city gas distribution system

India has a high gas demand and it is expected to be one of the largest consumers of natural gas globally. Considered as one of the biggest infrastructure initiatives happening across the country, City gas distribution (CGD) system was introduced 30 years ago by the Indian government to transform the way energy is delivered across the country. After completion of 11A city gas distribution round, 295 geographical areas have been authorised covering 98 per cent of India's population and 88 per cent of its gas, says Ministry of Petroleum and Natural Gas. Once fully operational, the distribution networks would enable the supply of cleaner and economical cooking fuel (like, PNG) to households, industrial and commercial units, and transportation fuel (like, CNG) to vehicles.

With the target of increasing the share of natural gas to 15% in India's overall energy mix, the government has encouraged regular investment in midstream infrastructure, which has enabled smooth transmission and distribution of gas across cities. In the last couple of years, there has been a lot of momentum in downstream gas business development to expand gas demand across domestic households, commercial, industrial and transport sectors that are covered under the city gas distribution (CGD) sector. Since 2011 the sector has grown at a compound annual growth rate (CAGR) of 7.1%. While the target of a 15% gas share in the

<sup>10</sup> [https://iea.blob.core.windows.net/assets/4fee1942-b380-43f8-bd86-671a742db18e/GasMarketReportQ32021\\_includingGas2021Analysisand-forecastto2024.pdf](https://iea.blob.core.windows.net/assets/4fee1942-b380-43f8-bd86-671a742db18e/GasMarketReportQ32021_includingGas2021Analysisand-forecastto2024.pdf)

<sup>11</sup> <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1800505>



energy mix remains a top priority, COVID-19 has further sped up the process of energy transition from oil and coal to gas and renewables as government provided free cylinders under the 'Pradhan Mantri Ujjwala Yojana' to the weaker sections during the pandemic. Petroleum and Natural Gas Regulatory Board (PNGRB) has approved the building of a CGD network in 232 geographical areas (GAs) across the nation, spanning more than 400 districts in 27 States/UTs, accounting for around 71% of India's population and 53% of its land area.<sup>12</sup>

# 10%

CAGR of CGD sector (2020-2030)

(Source: India City Gas Distribution Market, by Type , By Source of Supply , By End Use , Competition Forecast & Opportunities, 2015 – 2030 (reportlinker.com))

As on May 31, 2022, a total 95.21 lakh PNG domestic connections have been provided and 4,531 CNG stations have been established. By 2025, around 230 cities are expected to have gas infrastructure. Aided by government investment, pipeline infrastructure is set to grow fourfold and CNG stations are set to increase three times through the year 2025 as expansion in new geographies picks up pace. The industry considers this a big step towards achieving the Government's ambitious aim of increasing the penetration of natural gas in the primary energy mix from a present 6% to 15%.

Propelled by stricter pollution regulations & lower cost, the demand for natural gas is expected to rise sustainably. Despite the huge potential of the gas sector in India, there are many concerns when it comes to CGD, specifically related to infrastructure. CGD infrastructure, including transmission and distribution, is a major hurdle in unlocking India's gas demand potential. The Indian government has initiated infrastructure creation through pipelines like the Pradhan Mantri Urja Ganga, North East Gas Grid etc. further development of CGD infrastructure and networks, and is pushing growth of the sector.

<sup>12</sup> Indian Economic Survey 2021-22

## India's auto fuel scenario

Diesel and petrol are crucial cogs in the Indian economy. Thus, the use of these fuels in agriculture, industrial and transportation segments, and for back-up power generation through diesel generator (DG) sets, is an indicator of the health of the economy. Optimising and improving efficiencies of the transportation sector can help enhance the competitiveness of all sectors of the economy and significantly improve India's goal of becoming a \$5 trillion economy by FY25.

In a major push towards transportation through CNG in the personal mobility space, the minister of Petroleum and Natural Gas unveiled a Natural Gas Infrastructure Development Plan to set up 8,181 CNG stations over the next 10 years as part of the Indian government's push to reduce the dependence on oil imports.

# 8,181

CNG stations to come up over next 10 years

### Outlook

Energy is a master resource which has the ability to catapult or cripple a growing economy. India has set an ambitious target of becoming a natural gas-based economy by increasing its share to 15% in the primary energy mix by FY30.

The MOP&NG guidelines on gas allocation policy put emphasis on allocation of domestic gas to CGD entities for CNG (Transport) and Domestic PNG by placing it under no cut category. However, in the later part of the FY 2022, allocation of natural gas had been significantly lower than the demand in this category. This has driven city gas operators to buy high priced imported RLNG to make up for the shortfall, leading to a record spike in prices.

While the demand has grown at a rapid pace in existing cities with CGD networks, lack of allocation from domestic fields has forced the CGD players to buy RLNG at prices that were at least six times the domestic rate.

## Company overview

Mahanagar Gas Limited (MGL) is one of the India's leading City Gas Distribution Companies as well as one of the first CGD companies in the country. Your Company is fast spreading its CGD network within its existing areas of operations i.e. Mumbai, Thane, Mira Bhayandar and Navi Mumbai. Besides these areas, your Company is also widening its network in its authorised areas of Kalyan, Dombivali, Ambernath, Badlapur, Ulhasnagar, Bhiwandi, Panvel, Talaja, Kharghar and major parts of Raigad District. MGL's current authorized area is inhabited by almost 2 crore persons and offers a natural gas potential of about 5 MMSCMD. Apart from establishing Domestic Piped Natural Gas (DPNG) connectivity to more than 18 lakh households, your company is also supplying gas to +4300 commercial and industrial establishments and Compressed Natural Gas (CNG) to about 8.5 lakh vehicles through a network of 290 CNG stations. In order to cater to the growing natural gas demand of existing and expanding areas, your Company is sourcing gas from various suppliers. In the next five years, the Company has plans to increase its customer base by at least additional 10 lakh households, operate a total of about 400 CNG stations, expand the steel pipeline network to around 600 km and the PE pipeline network to over 7600 km. Further, additional City Gate Station (CGS) at Savroli and another CGSs in Raigad GA are under planning and development stage to meet the rising demand of natural gas in various parts of Raigad district. Work has almost completed for an LNG dispensing station co-located with the CGS at Savroli. Plans for setting up a second LNG dispensing station on Mumbai – Nashik highway is also afoot.

In collaboration with Tata Power Company Limited, your Company has installed an Electric Vehicle (EV) charging station at City Gate Station, Sion, Mumbai. Similar EV charging stations will be planned at more CNG stations in the authorized geographical areas.

MGL is in process of setting up a CNG Composite Dispensing Unit (CDU) at various places in its GA after its successful trial run of a CDU at Panvel, Raigad which was first of its kind for any CGD in the country. This is an entire CNG station on wheels, wherein the CNG cascade, compressor and dispenser are installed on a

vehicle and can be used for refuelling of CNG vehicles in areas where sufficient land is not available to set up a regular CNG station. Your company will plan to have Multiple CDU facilities at congested areas in the Mumbai and nearby municipalities where availability of land is a constraint.

### a) Core Competencies:

#### Building and Expanding Infrastructure:

Your company being one of the pioneers in the CGD sector is proud of its unmatched project execution capability in India's most densely populated regions. Under the company's core activity of Pipeline infrastructure development, your company is continuously embracing new technologies and best practices to augment MGL's safety first policy. Coupled with its network expansion in GA1 and GA2, your company is aggressively increasing its footprints in GA3, where it has successfully completed its minimum work program commitment. With decades of experience and deep understanding of the natural gas retail market, your company has always strived to deliver unparalleled convenience, safety, reliability and environmental friendliness to its customers.

#### Leveraging of Competitive Strengths:

Your company through its present pipeline infrastructure and ongoing plans is well positioned to leverage its infrastructure for uninterrupted gas supply to its valued customers. In addition to best in-class safety records, your company also boasts of more than two million happy and satisfied customers for which the findings from the annual Customer Satisfaction Survey stands as a testimony. Your company continues to strive to become more competitive by improving its service standards through rollout of digital interventions, further enhancing customer loyalty and stickiness.

Backed by a strong promoter and rich experience in the CGD sector, your company relishes a strong senior management team with rich experience in the oil and gas sector.

#### Maintaining Growth in Volumes:

The five year CAGR (2016-21) in sales of your company was 7.1% for PNG and 3.2% for CNG. Despite pandemic hit volume during the lockdown period, your company shifted its gear with greater focus on project execution which led to creation of new benchmarks surpassing all previous records. With the economic recovery, not only the volumes have been restored but have surpassed previous highs. This has been possible with the addition of infrastructure to cater to more number of CNG and PNG customers. With the implementation of various schemes and campaigns, your Company is witnessing higher customer conversion rates. The Company is also focusing on a large segment of commercial and industrial customers who are currently using low grade liquid and solid fuels. Advocacy for using cleaner fuels, especially in transport, commercial & industrial sectors, will continue at various levels for ensuring higher penetration of natural gas in these segments.



City Gas Station at Savroli

## b) Strengths, Weakness, Opportunities and Threat:

### Strengths:

- One of the largest CGD company in the country connecting more than 18 lakh households in Mumbai and adjoining areas operating in the most densely populated and economically growing commercial capital of the country.
- Supplying CNG through 290 filling stations with more than 1750 dispensing points and serves over 8.5 lakh vehicles.
- Operating over 550 km of steel pipeline and over 5670 km of MDPE pipeline in Mumbai and its adjoining authorized areas.
- Robust management to leverage expertise in strengthening Company's position in the industry.
- MGL's rich experience and its long-term relationship with vendors, suppliers and contractors, empowering it to expand its network in a timely and cost-efficient manner.
- With an established infrastructure and strong presence in Mumbai and its adjoining areas, it has fortified its presence and offers significant entry barriers.
- Access to low cost domestic gas.
- Strong focus on safety.
- A customer-centric culture.
- Extremely favourable evaluation by credit rating agencies with one of the highest financial ratings.
- The Company relies on a strong balance sheet and cash flow matrices to sustain its business momentum.

### Weaknesses:

- Slower roll out of infrastructure primarily due to long drawn authorization process of various

authorities and imposition of lockdown by local administration due to ongoing pandemic.

- Longer monsoon period in Mumbai and adjoining areas limits the effective time for execution of projects.
- Unable to set up more CNG stations in Mumbai due to constraints related to land.

### Opportunities:

- India's energy demand projected to grow at a much faster pace than the major economies in the world opening opportunities for MGL to tap the ever-growing market size.
- OEMs rolling out more CNG variants in the passenger car segment which is witnessing strong demand due to favourable cost of ownership.
- More CNG variants in Medium & Heavy Commercial Vehicle (M&HCV) segment being launched by OEMs has increased the use of CNG in long haul commercial segment.
- Expansion of operations outside Mumbai and Maharashtra to capture the growing market.
- With a population base of 30 million and over 3.5 million households with over 3.2 million vehicles, an excellent opportunity to cater to the growing demand in The Mumbai Metropolitan Region.
- Possibility of regulatory restrictions of using polluting fuels in urban areas which can then be replaced with gas.

### Threats:

- The various government subsidies and reduction in the battery cost going forward may make EV a viable option in the mid to long term.
- Possibilities of free market pricing of natural gas by Government of India which may reduce demand.

- Lack of economic growth and adverse policy interventions.
- Loss of exclusivity.
- Frequent fluctuation in energy prices due to changes in supply and demand, geo-political situation may lead to volatility in gas prices and vitiate the sourcing strategy.
- Potential currency depreciation may increase the cost of imported gas leading to impact on profitability.

### Key business highlights

In the financial year 2020-21, despite the initial COVID-19 setback, the Company did try to retrieve the situation once unlocking process got underway. However, the impact of COVID-19 in MGL's GA areas, especially in Mumbai and adjoining areas, has been substantial. Difficulties were faced on multiple fronts in terms of getting access to societies, individual flats, movement of men and material, restrictions on working at site, delays in securing permission from authorities as the offices were not fully functional. This difficulty was compounded due to exodus of migrant labour, disruptions in supply chain, delayed delivery of material by vendors. Lower sales were clocked in every segment except domestic households. commercial establishments, like, hotels, eateries, malls remained closed or operated with very low footfalls / sales as were industrial establishments which also faced problems in numerous areas.

During the year, your Company was able to establish connectivity with more than 2.6 lakhs domestic households for PNG, a record in itself, thereby having a cumulative customer connectivity base of more than 18 lakh households. Additionally, your Company added around 300 industrial and commercial customers, totalling to a customer base of close to 4,400 industrial and commercial units. Your Company

was also successful in adding 24 new CNG stations and upgrading the capacity of 26 stations, serving an estimated 8.5 lakh vehicles. Your Company propelled its current compression capacity to about 40 lakh kg/day, an increase in the capacity by approximately 3 lakh kg/ day. Your Company also expanded its network in Raigad by operating 23 CNG stations and is planning to add 12 more stations in the coming financial year.

### Financial Overview

#### a) Revenue from Operations

During the financial year 2022, the revenue from operations stood at ₹ 3,885 crore.

#### b) EBITDA and EBITDA Margin

During the financial year 2022, the operating EBITDA decreased by 1.03% to ₹ 924 crore in comparison to ₹ 934 crore in FY 2021. The EBITDA margin for the Financial year 2022 is 26% as compared to 43% in the FY 2021.

#### c) PAT and PAT Margin

Your Company registered a reduction in PAT by ₹ 23 crore to ₹ 597 crore in FY 2022 from ₹ 620 crore during FY 2021. The PAT Margin for the Financial Year 2022 is 17% as compared to 29% in FY 2021.

#### d) PBT

Your Company registered a decrease in profit before tax by 3.28% to ₹ 806 crore in FY 2021-22 from ₹ 834 crore in FY2020-21 mainly due to increase in cost of gas.

#### e) EPS

Your Company recorded earnings per share of ₹ 60.43 per share in FY 2021-22 as compared to ₹ 62.72 per share in FY 2020-21.

## f) Details of significant changes in key financial ratios, along with detailed explanations therefor:

### Ratio Analysis

Sr. No.	Ratios	For the year ended	
		March 31, 2022	March 31, 2021
1	Debtors Turnover Ratio (No. of times) (Net Credit Sales of natural gas / Average Accounts Receivables)	12.61	13.96
2	Inventory Turnover Ratio (No. of times) (Cost of Gas Sold / Average Inventory of Gas)	1912	3869
3	Current Ratio (No. of times) (Current Assets / Current Liabilities)	1.58	1.39
4	Operating Profit Margin (Operating Income - EBIT / Revenue from Operations - Net)	35.32%	20.45%
5	Net Profit Margin (PAT / Revenue from Operations - Net)	26.74%	15.48%
6	Return on Networth (PAT / Networth)	20.03%	17.48%

Interest coverage ratio and Debt Equity ratio not applicable as company is debt free.

## g) Explanation for major change in Ratios as compared to the previous financial year:

Increase in Inventory Turnover ratio is due to increase in sales volumes and gas purchase price. Cost of gas sold has increased substantially whereas correspondingly value of average inventory of gas has not increased and decrease in operating and net profit margin in percentage terms is mainly due to increase in cost of gas and corresponding revision of sales prices to recover such increase in phased manner. Current year increase in gas cost was also on account of requirement of more spot gas purchase due to shortage of government allocated gas and increase in spot prices due to global factors.

## h) Disclosure of Accounting Treatment:

Applicable Accounting Standards have been followed and there is no deviation compared to prescribed accounting standards.

## Company Outlook

As one of the oldest and experienced CGD players in the Indian market, serving one of the most economically developed regions of the country, MGL is preparing to seize this opportunity by significant investment in creating PNG and CNG infrastructure in the city of Mumbai and adjoining authorised areas. Given the large residual demand potential in its areas of operation, your Company is ideally suited to capture the benefits of this large and growing market. Your Company's foray into adjacent Raigad district provides significant additional opportunities for the expansion of its CNG and PNG networks. Further, your Company will be able to leverage its competitive strengths to increase its customer base by expanding its natural gas distribution network to cater to the increasing demand.

MGL plans to accelerate growth by expanding its existing network with more than 26 kms of steel pipeline and about 140 kms of polyethylene (PE) pipeline by March 2023. The aim is to drive conversion across



segments by adding 50 new CNG stations, 3 lakh domestic connections and more than 250 Industrial and Commercial customers and additional sales volume in Long Haul in next financial year.

Beyond having ample organic growth headroom within its own territories, your Company is continuously scouting to expand its area of operations through direct bidding for new distribution licenses, forming strategic alliances and exploring joint ventures with existing bid winners, and/or taking inorganic routes for geographic expansion. However, with vast experience on knowing what it takes to be successful in such a highly regulated and safety sensitive industry, your Company is careful in selecting new expansion projects that make good business sense and enhance shareholder value. In addition, your Company is working on the digital initiative to streamline existing operations through running of data analytics in order to enhance customer convenience and delight, while offering value added services beyond sale of fuel as well. Your Company is also planning to diversify and develop a non-gas portfolio and is looking at opportunities in areas like CGD related equipment and component manufacturing.

While your Company's energy basket remains fossil fuel-based, demand growth for fossil fuels is projected to be outstripped by that of renewables over the longer term. Central Electricity Authority (CEA) estimates that by 2029-30, thermal energy generation would decline from 78% to 52% while renewable energy generation share is expected to see a rise from 18% to 44%, Gas, however, is seen playing a stronger role in the future domestic economy owing to its cleaner carbon profile and increasing integration into the mainstream backed by Government prioritisation, faster build-up of the key infrastructure and access to cheaper and diverse supply sources. Government has set a clear goal of increasing the share of gas in the country's primary energy basket from around 6% currently to 15% by 2030. Expansion of the gas sector caters effectively to multiple national priorities of limiting carbon intensity of our economy and rejuvenating domestic E&P activity.

## Technology

MGL continues to invest in the latest technologies, matching up to a rapidly changing business environment and is constantly upgrading its ways of interacting with its customers.

To efficiently sustain its business operations, your Company constantly upgrades and implements innovative technologies. During the year, your Company experienced smooth operation of its SAP R/3 enterprise resource planning (ERP) systems. Your Company's data centre is in a Tier- IV certified facility, offering maximum uptime of IT Infrastructure, systems and services within stipulated time frames. Additionally, to ensure business continuity, your Company has a fully operational disaster recovery site, both on-premises and on cloud infrastructure.

Your Company's in-house resources were utilized for major functional upgrades of its SAP systems to facilitate finance and procurement procedures. Within the framework of standard SAP, an innovative dashboard was developed for monitoring open customer complaints, CWIP and to track Purchase Order expiry.

Cyber security remains one of the key focus areas and accordingly, significant initiatives have been taken to enhance your Company's security layers with implementation of Web Application Firewall. Your company is undertaking various proof of concept for automation of manual, repetitive processes so as to make operations efficient. Various dashboards are being prepared to provide management a clear view of various Key Performance indices (KPI's).

With launch of new version of MGL connect app, your company is providing users with a seamless way of finding all the information at a single location and also of providing online meter readings.

On the operational front, your Company has successfully sustained and enhanced its SCADA system across all four City Gate Stations, 281 CNG stations and 45 Cathodic



Protection Transformer Rectifier Units. Your Company plans to include all its CNG stations and additional Sectionalising Valves under the ambit of SCADA. Your Company has implemented LoRA-based Automated Meter Reading (AMR) system on a trial basis for 7,000 domestic customers in its operational areas and is exploring suitable technology for scaling up the implementation of AMR, with an objective of providing actual meter readings and billing for every customer and gradual elimination of assessed bills, along with enhanced safety, security and experience for the customer.

Over 1000 industrial and commercial customers have been fitted with AMR facilities. Further, replacement of 2500 diaphragm meters with AMR meters which enable remote acquisition of meter readings is in progress. This has eliminated the need for visit to customers' premises for meter reading.

Your Company has completed the installation of 11 Internal Corrosion Monitoring systems and aims to install 7 more in the coming years.

Your Company is also working on the Multi Layered Composite (MLC) piping system in lieu of copper piping systems which would increase the safety and productivity, along with reduction in the cost of installation. The joints in this system are made by crimping, a safe method that does not require soldering. The technical requirements pertinent to MLC have also been included by PNGRB in T4S regulations and a vendor network is being developed to ensure continuity in supply of the same for wider implementation.

To automate the daily CNG progress report preparation process at daughter booster stations, an in-house CNG mobile app has been developed. Moreover, to enhance customer experiences in DPNG segment, awareness initiatives about voluntary meter reading procedures have been rolled out along with several new initiatives like user friendly DPNG bills etc.

Continuous Efforts are being taken to further enhance domestic meter reading accuracy and efficiency. Improvements in domestic meter reading is being carried out using Android software as it aims to help meter readers capture details with greater ease and accuracy while providing value-added inputs to customers. The software is upgraded at regular intervals to provide customers access to information on meter reading through SMSs. A system is developed to send SMS to domestic customers intimating on date of meter reading and details of meter reader like name, photograph which can be verified by customer from a link provided on registered mobile number. SMS is sent to customers about visit of service technician for any after sales related services.

Going forward, your Company is planning to undertake trials for implementation of pre-paid metering systems for domestic customers, comprising Low-cost pre-paid meters (with limited functionalities) for

low-income groups and for rental premises and Full functionality pre-paid meters (with all features) for customers desirous of opting for advanced meters.

MGL's pipeline network as well as associated assets are being mapped in GIS (Geographical Information System) on an ongoing basis, enabling users to view the entire network from their desktop/mobile devices, allowing them to regularly plan and monitor repair and maintenance activities on the network.

The GIS software has been upgraded to the latest version (Smallworld 5.2.7), which offers enhanced features such as Java coding support and improved plotting architecture. A new module namely Mobile Enterprise Web (MEW) has also been implemented as a part of version upgrade of GIS, along with added functionalities such as Outage Manager and Profile viewer tool.

Apart from the above initiatives, automated daily database back-up on Data Centre and replication of the same on Disaster Recovery server has been implemented for my World application, enhancing reliability of the system.

Data enhancement activities such as reliability/completeness of network mapping, land base updating, incorporating building addresses, customer mapping, accuracy enhancements based on DGPS surveys of exposed pipeline etc. are undertaken on continuous basis. As a regular practice, all technical records submitted to the GIS team are scanned and made available to users through MGL ARS (Archival Retrieval System), an online document management system.

For gas leak surveys, your Company has also purchased Gas Detection Camera (FLIR) which has been certified

as Intrinsically Safe and is specifically tuned to visualize emissions that are impossible to see with the human eye.

MGL has purchased a dozen Type-3/Type-4 composite CNG cylinder cascades for CNG transportation which have resulted in transporting more CNG per trip, thereby reducing the number of trips. Additional orders have also been placed for more composite cascades.

As a green initiative aimed at reducing power intake from the grid, your Company plans to set up solar power facilities at the upcoming Mankhurd and Ghatkopar CNG stations. The installation of a natural gas Microturbine has been completed at the MGL's Mahape Office to utilize exhaust heat for its centralised air conditioning system.

A small footprint CNG package has been installed at one of the CNG stations in Mumbai, with integrated packaging of a CNG compressor, CNG dispenser and CNG cascade in a single enclosure which shall be immensely useful for rolling out more such compact units in Mumbai where land is very scarce.

Your company has developed software for optimum utilisation of CNG Transport vehicles (CTVs) which uses data from SCADA, In-Vehicle Monitoring System and Google Maps and continuously monitor movement of vehicles and suggests optimum ways for utilisation as well as minimise dry outs at Daughter Booster Stations.

Further automation of forecourt operations at CNG stations is being explored which will include intimation to customers on waiting time at CNG Stations, identification of vehicles through artificial intelligence and further data analysis.



MGL SCADA system



Post containing the first wave of COVID-19, the nationwide lockdown was lifted. The second wave soon started with the beginning of the FY2021-22. The second wave of COVID-19 in India had severe consequences in the form of multiplying cases, reduced supplies of essential treatments, and such other emergency situations. However, amidst all the challenges posed by the pandemic, your Company ensured the well-being of its employees and their families. Being a public utility, the Company bears enormous responsibility to ensure round-the-clock uninterrupted supply of PNG and CNG. Under a raging pandemic, meeting the demands of a large customer base through the interactions at numerous touch points become greatly challenging and come at a risk of exposure. While those handling emergency and O&M duties did not get any respite even under full lockdown, the Company managed to start project activities once the lockdown started getting partially lifted. As the work gathered steam, other support services started to venture out as well. In the face of unprecedented crisis, your Company delivered on all fronts and a special mention needs to be taken of the frontline employees whose boots were on the ground when the norm was to act remotely.

Your Company managed to service all its accounts and managed to implement many of its operations working from home. During the lockdown, there were minimal delays within your Company's Operational work, Statutory Audit, and Cost Audits. This was enabled in great part due to the support from your Company's IT department.

Employees were your Company's top priority during the crisis. The ultimate aim has been to design a IT backbone for your Company to adapt to digitalisation and technology. Even during the current crisis, your Company has played a crucial role in delivering non-stop quality services to its customers. The CNG stations were always kept open and accessible to vehicles in its territories, especially to serve essential services such as the BEST buses that are run on CNG. Even the PNG services were kept open and available to all the households that were navigating quarantining and lockdowns.

A new IT policy designed exclusively as per ISO 27001

standards has been released while focusing more on IT security. Your Company has initiated SAP and SRM implementation for procurement and adopted the use of best SAP practices.

Your Company implemented WAF (Web Application Firewall) for additional security for internet-facing applications. The process of implementing cloud strategy which will provide scalable infrastructure is underway. Robotic Process Automation (RPA) tools are being evaluated for automating manual and repetitive processes significantly reducing chances of human errors.

### Customer Relationship Management (CRM)

Your Company has a well-established robust mechanism in place to address customer complaints, queries & service requests. CRM department acts as a conduit between the customer & company and ensures a single window time bound, effective resolution to all customer concerns, through its organized set-up and well laid out processes and practices.

For enhancing customer experience, the channels and modes of communication with the customers are continually being improvised. Besides being the first CGD to set-up an in-house Call Centre way back in 2003, your company has also pioneered the transition of Customer Care centre to a live enterprise solution (SAP). In adopting technological innovations, your company was the first CGD to launch a Mobile App for customer delight and have its e-mail software solution on Cloud.

The Call Centre which began with just 5 workstations has evolved in sync with the growth of the company and now this 24x7 Customer Helpline facility is operating through 65 workstations with a team strength of about 85 executives & supervisory staff. The customer care activity is further supplemented through the nine walk-in centres spread across the company's areas of operation and a full-fledged back-office operation to ensure that written correspondence from customers are acknowledged and responded within the set timelines. The CRM processes & practice of your company have not only been well-appreciated by other major CGD entities across the country, but

also have been studied and replicated by many CGDs.

In its endeavour to further enhance customer satisfaction level, your company has engaged a professional consultancy agency to study and evaluate the existing procedures and practices and suggest way forward to maximize customer satisfaction and achieve Customer Delight.

### Project Monitoring

Corporate Project Monitoring Cell (CPMC) aspires to improve upon its project monitoring function. Web based modules designed to capture and display performance of key milestones of all ongoing projects have been further improved to assist the executing departments in focusing on areas of concern. The system is also beneficial to your Company in terms of accurate and timely submission of requisite information to all concerned including Regulator. Furthermore, to improve the efficiency of existing project operations, certain applications such as Last Mile Connectivity, Working at Height, Plumber Tracking, Work Plan and Work Progress (WPWP), CWIP Ageing Analysis and Project Cost Monitoring were also developed with the support of the BIS department.

Salient features of these developments are listed below for ready reference:

- **Work Plan and Work Progress:** The system helps in monitoring the resources available with the contractor and in return allows planning and execution of daily activities at site. This application also helps in identifying the gaps between the plan and actual execution on site.
- **Last Mile Connectivity (LMC):** This system is developed to capture the converted customers' information with all required images (Meter, Meter and it's Location, etc.) directly from customer premises. This results in immediate reporting of conversion date in the system facilitating in faster invoicing of D-PNG connections.
- **Work at Height (WAH) – Permit to Work:** The system helps in tracking the exact number of plumbing resources with the contractor and in turn allows execution planning at site. This has helped in reducing the time delay caused in the issue of work

at height permit resulting in increased productivity, enabled centralised record of all WAH permits, and ensured safety at site.

Additionally, a development was carried out to obtain more accurate data to track **D-PNG Connectivity and Conversions (Burning Customers) through SAP system**. This data can also be used to analyse the difference between connectivity and conversion numbers, allowing for the early detection of potential conversions and a shorter duration between registration and conversion activities.

### **Analytics projects viz. CWIP Ageing Analysis and Project Cost Monitoring were implemented during the FY 2021-22.**

CWIP Ageing Analysis helps in tracking the projects kept on hold for long and provides quick insights in management decision making. Moreover, several anomalies and disparities can be identified quickly with the help of visuals. Analytical reports can be drilled down by year, zone, DRS etc right up to each individual project level.

Project Cost Analysis visually depicts the direct cost incurred in execution of various projects and helps quick identification of missing cost components viz material, labour or re-instatement charges for each project. Users can monitor the progress through the visuals and can take quick actions for required correction of source data in ERP.

Earlier the users had to run several reports in ERP system and collate the data in spreadsheets to compile the final reports. Complete analysis was impossible for projects with huge volume of data. The entire process had to be carried out manually for every fiscal period-end and the reports had to be distributed amongst individual teams for further analysis. Now the reports are on cloud and can be accessed from anywhere anytime.

Both the analytics projects were implemented by using Power BI stack, which is interfaced with Microsoft Teams, SharePoint, PowerPoint and other O365 applications. The CWIP dashboards and app are also available on Android and iOS mobile devices.

## Health, Safety and Environment (HSE):

### a. Health and Safety

Safety of employees and all stakeholders is the top-most priority of your Company. An in-house Safety Perception Survey has been conducted to strengthen your Company's leadership initiatives and process components. These were designed to foster a high performing, continually improving and proactive safety culture, with the goal to achieve 'Zero Accident'. The continuous initiatives directed towards 'Occupational Safety Excellence' enabled MGL to achieve more than 9 million 'Lost Time Incident free' man hours.

Being in the business of supplying PNG and CNG, MGL complies with high standards of HSE practices and believes that outstanding business performance requires outstanding HSE performance. Moreover, your Company also adheres to all legal and statutory requirements applicable to its operations and aspires to attain high standards of operational performance. Your Company is accredited to applicable Health, Safety & Quality management systems including ISO 45001:2018 for Occupational Health & Safety Management system, ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management system. Your Company has already been audited by certified third party agencies and has successfully been accredited and awarded by the external agencies. The following awards and recognitions have been recently accorded to your Company:

1. "Outstanding Achievements in Safety Excellence Category at CGS Mahape Unit" award by Greentech Foundation during "20th Annual Greentech Safety Award 2021".
2. "Plaque Award" from National Safety Council - Maharashtra Chapter for Lowest Average Accident Frequency Rate at CGS Ambernath for the year 2020.
3. "Plaque Award" from National Safety Council - Maharashtra Chapter for Longest Accident-Free Period at CGS Ambernath for the year 2020.

4. "Certificate of Merit" from National Safety Council - Maharashtra Chapter for ensuring high standard of Safety and maintaining Zero Accident Frequency Rate for the year 2020 for CGS Mahape and Talaja Units.
5. "Certificate of Appreciation" by National Safety Council of India for scoring more than 75% marks and maintaining both Best Safety Standards and goal of Zero accidents for the year 2020 for CGS Mahape, Talaja and Ambernath Units.

Your Company released Standard Operating Procedures (SOP) & Guidelines for the management of COVID-19 at its sites and workplaces. Also, COVID-19 vaccination for employees and business partners was administered during the year.

Senior Management Safety Tours are conducted for regular safety audits which helps to maintain the highest standards of Health and Safety for personal as well as for Company's assets. Your Company is committed to the Health and Safety of not only its employees but also the employees of its contractors and any other stakeholders who might be affected by your Company's operations. The contractors are considered as business partners of your Company who duly comply with your Company's HSE standards. To meet the necessary standards, your Company provides coaching and assistance to its business partners regularly.

Your Company also undertakes initiatives for raising general awareness in relevant communities and operating environments as a part of its continual efforts to improve safety measures.

Initiatives such as PNG Awareness Campaigns in residential societies as well as for industrial and commercial customers, Mahanagar Gas Limited Emergency Management Systems Awareness for local Fire Brigade offices, District Disaster Management Cells and CNG Awareness Campaigns for various customers are undertaken by your Company. Animation videos on 'Mahanagar Gas Limited Life Saving Rules' and 'Work At Height'

in Hindi and English are extensively used to spread awareness amongst employees, contractors' employees and other stakeholders.

Continual improvement in Mahanagar Gas Limited Life Saving Rules and implementation of Safety & Technical Competency (STC) training policy - 'No STC No Work' and CNG filling policy - 'No Metal Plate, No Gas' are in place in order to ensure safe execution of work. In accordance with recommended procedures and standards, your Company makes sure that all the manpower involved in its work is trained as per STC framework and certified accordingly.

To ensure proactive safety culture, MGL has implemented the HSE Reward Programme to identify the frontline workers who significantly contribute to achieve HSE excellence on site.

For reporting safety incidents, monitoring and closing recommendations with the evidence related to the incident in a methodical way, your Company has implemented an Online Action Tracking System. In addition to an Emergency Control Room with a toll Free number- 1800 266 99 44 - available 24x7, your Company also has tie ups with Emergency Ambulance Services across its operational areas for attending to medical emergencies. Moreover, to contribute to a safe working environment, your Company has a 'Dial-before-Dig' initiative and continuous pipeline surveillance and network mapping system on Geographical Information Systems (GIS).

To prevent hazardous incidents and continual improvement of HSE performance at Company installations and sites, MGL expects all its employees and contractors to report incidents, hazards and near-miss to provide effective safety suggestions. These inputs are carefully assessed and investigated and the lessons learnt from these incidents are shared with all concerned. Your Company also takes note of the lessons learnt from other Oil and Gas companies around the world.

Your Company has successfully installed In-Vehicle Monitoring System (IVMS) / VTS (Vehicle

Tracking Systems) in all CNG transport vehicles and emergency vehicles, to inculcate safe driving behaviour and to track all vehicles. The data generated from IVMS/VTS monitoring system is analysed and the driver's behaviour and on-road violations are tracked for continual improvement in road transport safety performance. Additionally, it conducts Defensive Driving Training (DDT) for all drivers and vehicle helpers of Light Commercial Vehicles (LCVs) carrying CNG, pool vehicles, and Master Control Centre (MCC) / emergency vehicles deployed with MGL.

Your Company has built a Fire Management System which complies with national standards. Competent firefighting workforce has been deployed at all City Gate Stations (CGS) and important MGL offices to combat any potential fire emergency. The Fire Management System is maintained in accordance with statutory requirements of respective local authorities. The Fire Management System has been audited / assessed by an external, third party agency of international repute, validating the effectiveness of the system.

MGL Emergency Response and Disaster Management Plan (ERDMP) of PNGRB licensed areas have been successfully certified as per PNGRB ERDMP Regulations 2010 (GSR39). Your Company has conducted a series of mock drills at all its installations including City Gate Stations, project sites, CNG stations and offices, as per the recommendations of PNGRB guidelines. A major mock drill with the involvement of Fire Brigade, Disaster Management Cell, Directorate of Industrial Safety and Health (DISH), Mutual Aid Response Group (MARG) members and Traffic Police officials has been conducted to demonstrate MGL's Emergency Response and Disaster Management Plan (ERDMP), as well as to undertake continual improvements based upon the inputs of the participants of mock drills.

MGL regularly arranges Health Awareness Sessions and Workshops on topics such as Heart attack and Care and Brain Attack on regular basis to create health awareness and to improve lifestyle of employees.



## b. Environment

Your Company, being a responsible Corporate, makes all efforts for the protection and preservation of the environment, a core area of emphasis for your Company. In addition to the processes and procedures, your Company adheres to the requirements of ISO 14001:2015 accreditation. MGL celebrates World Environment Day every year wherein the employees undertake initiatives and activities to work towards protecting the environment and promote the use and benefits of natural gas to improve the environment through public awareness campaigns. As per this year's World Environment Day theme - 'Ecosystem Restoration', your Company organised an online quiz competition and attended a webinar on Ecosystem Restoration - Recent Trends in Technology for Sustainable Development organised by Centre for Earth, Ocean and Atmospheric Sciences.

Your Company has developed animated videos on Energy Conservation Tips that are available on Company's website and social media pages. Furthermore, your Company has developed many more online applications such as Online Permit System, Life Saving Rules Audit Module to minimise the usage of paper and contribute towards

environmental conservation. Your Company is adapting to the usage of Online Application to capture the site Compliances or Observations thereby reducing consumption of paper.

Your Company has installed Ambient Air Quality Monitoring Stations at 5 designated locations.

Your Company has distributed more than 200 Nos of litter collection bins for Dry and Wet waste in the rural part of Raigad District area which helped in prevention of pollution and support the environment initiative.

Your Company has installed more than 100 solar streetlights in the rural part of Raigad District thus enhancing the environment saving initiative.

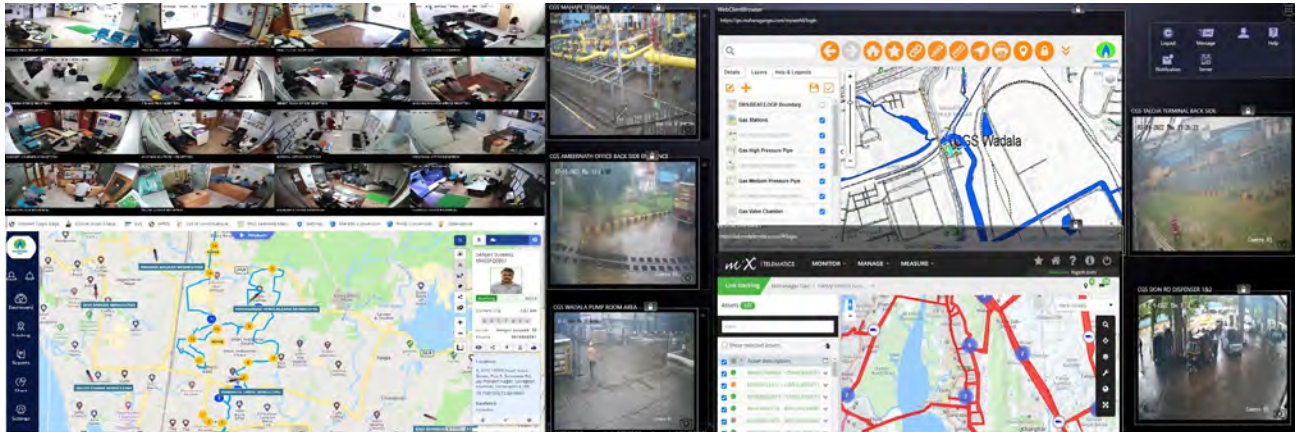
## Security

Changing business dynamics coupled with continuous shifts in the socio-economic scenario and re-assessment of the security function is needed to reinforce and strengthen the security management processes. This was achieved through risk assessment, focusing on protection of company assets with increased emphasis on pipeline network protection. The function responded positively to the changing security challenges by incorporating better technology and adopting efficient security mechanisms in its operations. New procedures were also incorporated and implemented to suit varied security requirements.

A dynamic socio-economic scenario demands the security processes of your Company to be continuously put to test and reinforced through the feedback received from various stakeholders. This is backed by reviews of processes, through risk and vulnerability assessments, threat appreciation and is achieved through accurate access control, asset protection, security awareness training and incident management drills & exercises.

In order to improve the security surveillance mechanism, CCTV network was upgraded from Analog to IP based system. The Security Control Room was augmented by incorporating D3D two-way communication cameras. The capabilities of the existing Security Control Room have been





**MGL Integrated Security Control**

further supplemented & expanded by enhancing its surveillance capability with Command & Control software through which various sub-systems such as the CCTV system, Intrusion Detection System, Fire Detection System and In-Vehicle Management System have been integrated. The solution will capture, store and analyse digital video images & recordings which will enable central monitoring thereby increasing operational efficiency with nearly zero false alarms. Video analytics being the core component of this solution, existing cameras will be able to count people and send instant feeds in case of any intrusion. An alternative Incident Control Room has been established inside the Security Control Room for better incident management during crisis. The solution also provides mobile application through which members of the senior management team will be able to access footages from anywhere and can collaborate simultaneously with ICR at MGL Corporate Office and site in-charges. The deployment of integrated solution is in final phase and once fully functional will provide common operation picture and assist in decision making capability of senior management team during crisis/emergencies situations.

The primary focus of the department is to achieve maximum security effectiveness through optimum manpower deployment. The vision of the department has always been to provide efficient and timely security support to all the stakeholders of your Company and to make MGL a secure place to work.

## Human Resources and Industrial Relations

Your Company constantly strives to improve upon its Human Resources processes and practices for employee satisfaction through deep engagement and recognition. At the closure of the financial year, your Company's headcount was 491. The responsible approach to structured working conditions inter-alia includes fair treatment at work, equitable compensation system, diversity inclusion & belongingness, focus on learning and development as well as career progression, reward and recognition of good performance and adoption of various progressive HR policies. HR Policies are revisited in a time bound manner to keep abreast with the industry practices.

MGL believes in providing continual learning for its employees and competency development is a key focus area for the company. With Learning and Development Team committed to nurture a culture of learning, structured training initiatives are taken in the interest of overall employee development. In the challenging environment when physical presence for trainings was not always possible, Learning & Development initiatives were undertaken through virtual mode without compromising on quality of programs. Alongside professional trainings, awareness sessions are also arranged for conveying corporate values. Career advancement is one of the most important elements for employee satisfaction and retention in a company. Regular development dialogues between employees and supervisors provide an

opportunity to discuss career development perspectives. The Assessment Centres are designed to ensure comprehensive evaluation of identified competencies for each role. All eligible employees have been evaluated using a variety of testing techniques designed to allow them to demonstrate the skills and abilities essential for success in their respective roles. The outcome of the Assessment Centres have been used to facilitate skill enhancement through training and development, Career Progression, etc.

MGL has various Reward and Recognition programmes to promote motivation among employees by recognising and rewarding exemplary behaviour thus improving employee morale and satisfaction. Your Company also focuses on attracting and retaining talent in the emerging competitive scenario and its impetus is on selection of quality talent through multiple channels. Transparent and effective communication is given due priority for ensuring team-based working and promoting a culture that is based on trust and confidence.

MGL is committed to protect its workforce health and wellbeing and face every challenge together. In the light of the Covid-19 pandemic, alternate work arrangements were implemented for the employees and vaccination drives were organized to ensure that the employees and their families are inoculated so that workplace is safe to work.

Your Company has harmonious Industrial Relations with the Union.

MGL engages a substantial work force through service providers and contractors treating them as partners in progress and maintaining cordial relations with them.

## **Risk Management and Internal Control System**

### **Risk Management**

MGL recognizes that all aspects of its business involve significant risk and that its actions are increasingly exposed to greater scrutiny by the public, investors, and its stakeholders. The surrounding macro-environment is complex and dynamic in nature, which requires us to remain alert, updated and monitor the uncertainties in

order to respond to the probable challenges. Therefore, a well-established Risk Management Function headed by Chief Risk Officer (CRO) is in place in your company.

MGL has an elaborate Risk Management Framework, designed to enable risks to be identified, assessed, and mitigated appropriately. Your Company monitors, manages, and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement where necessary and report throughout, the management chain up to the Risk Management Committee on a periodic basis about how risks are being monitored, managed, assured and improvements are made. The Risk Management Committee has overall responsibility for monitoring and approving the risk policies and associated practices of MGL. The Committee is also responsible for reviewing and approving risk registers.

A collaborative ERM software tool is implemented to ensure that Risk Management Processes are embedded in all business processes and operations.

### **Internal Control System**

The Company's principles of internal control are based on the principle of sustainable growth and proactive risk management. A robust framework of internal controls has been implemented across business operations in accordance with the Company's policy. Internal Control System is designed to ensure accurate and reliable financial information with proper records and safety of your Company's assets, along with highlighting financial risks, if any.

Your Company has well documented policies and standard operating procedures covering all the business processes. Procedures to ensure conformance to policies and standards have been put in place with respect to all types of activities within the organization. Policies and procedures are reviewed periodically to

accommodate changes due to shifts in business needs and improvements are also suggested during internal audits to strengthen the overall internal control systems of your Company. Your Company has its Code of Conduct and Whistle Blower policies in place.

Your company has well documented and comprehensive Internal Audit Manual to ensure that quality audits are conducted efficiently and effectively with the aim to add value to the organization. The Internal Audit Manual brings standardised approach to a reliable and consistent auditing that continues to represent best practice in the industry.

At the beginning of each financial year, Internal Audit Calendar is rolled out and audit is conducted by a reputed external audit firm in accordance with the auditing standards. Significant audit observations and corrective actions thereon are presented periodically to Strategic Management Group (SMG) and Audit Committee of the Board. Follow-up actions of all the observations are also presented regularly to SMG and Audit Committee. The Company has a well-established and dedicated in-house Internal Audit team. Internal Audit team guides and co-ordinates overall efforts of external audit firm. The Audit Committee of the Board of Directors regularly reviews execution of Audit Plan, the adequacy & effectiveness of internal audit systems, and monitors implementation of internal audit recommendations.

Your Company has a well-defined and documented Board approved Delegation of Power with specified limits for approval of expenditure both capital and revenue. Your Company has workflows to ensure adherence to the Delegation of Power.

Your Company uses an established ERP system of SAP to record day to day transactions for accounting and financial reporting. The ERP system is configured to ensure all transactions are integrated seamlessly with the underlying books of account. Also, wherever possible, emphasis is placed on incorporation of automated controls within the process to minimise deviations and exceptions.

## Cautionary Statement

This document contains statements about expected future events, financial, and operating results of Mahanagar Gas Limited, which may be forward-looking. By their nature, forward-looking statements require your Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the actual results may differ from the forward-looking statements mentioned in the Annual Report. Readers are cautioned not to place undue reliance on forward-looking statements.

## Disclaimer

Certain statements in the MD&A section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic, like, COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to your Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also likely to change accordingly. These forward-looking statements represent only your Company's current intentions, beliefs and expectations and any forward-looking statement speaks only as of the date on which it was made. Your Company assumes no obligation to revise or update any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Directors' Report

To  
The Members

Your Company's Directors have pleasure in presenting the Twenty-Seventh Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Auditors' Report.

## 1. FINANCIAL RESULTS :

During FY 2021-22, the turnover was ₹ 3,885 Crores vis a-vis ₹ 2,338 Crores in FY 2020-21. The Profit after Tax (PAT) was ₹ 597 Crores for FY 2021-22 as compared to ₹ 619 Crores in FY 2020-21. The Company's financial results for the financial year ended March 31, 2022 are depicted below:

		(₹ in Crore)	
Sr. No.	Particulars	As on March 31, 2022	As on March 31, 2021
a.	Revenue from operations	3,885	2,338
b.	Other Income	86	81
c.	Profit before Depreciation and Finance cost	1,010	1,014
d.	Depreciation and Amortization Expenses	196	174
e.	Finance cost	8	7
f.	Profit before Tax (PBT) [c-d-e]	806	834
g.	Income Tax	209	214
h.	Profit after Tax (PAT) [f-g]	597	619
i.	Other Comprehensive Income	0	1
j.	Total Comprehensive Income [h+i]	597	620
k.	Balance of Profit for earlier years	3,134	2,854
l.	Balance Available for appropriation (j+k)	3,731	3,474
	Appropriations:		
m.	Dividend Paid		
	Final – FY 2019-20	-	252
	Interim – FY 2020-21	-	89
	Final – FY 2020-21	138	-
	Interim – FY 2021-22	94	-
n.	Tax on Dividend	-	-
o.	Total Appropriations (m+n)	232	341
p.	Balance of profit carried in Balance Sheet [l-o]	3,499	3,134
	Earning Per Share (Face Value of ₹10.00 each) – Basic and Diluted (₹)	60.43	62.72

## 2. TRANSFER TO RESERVES:

The closing balance of the Retained Earnings of the Company after appropriation for the financial year 2021-22 was ₹ 3,499 Crore.

### 3. DIVIDEND:

The Board of Directors at their meeting held on February 08, 2022, declared Interim Dividend for the financial year 2021-2022 of ₹ 9.50 per equity share of face value of ₹ 10/- each and was paid to those members whose names appeared in the Register of Members/List of Beneficial Owners as on the record date i.e. February 18, 2022.

Your Company is consistently distributing dividend to the Shareholders. Your Directors recommended the Final Dividend of ₹ 15.50 per share in its Board Meeting held on May 10, 2022, subject to approval of shareholders at the 27<sup>th</sup> Annual General Meeting.

The Company's Dividend Distribution Policy is available on the Company's website at <https://www.mahanagargas.com/investors/dividend/dividend-policy.aspx>

### 4. STATE OF COMPANY'S AFFAIRS:

The Financial Year 2021-2022 was one of the significant years in terms of impact on growth and operations. Despite of hostile impact of pandemic and related restrictions and protocols over the state of affairs of the Company, your Company has accomplished its business activities in the best interest of its stakeholders. Further information on the business overview and outlook of the Company is discussed in detail in the Management Discussion & Analysis section forming part of the Annual Report.

### 5. DEPOSITS:

During the Financial Year 2021-2022, your Company has not accepted any deposit.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that for the financial year ended March 31, 2022:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) They have selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profits of your Company for that period;

- c) They have 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 assets of your Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a 'going concern' basis;
- e) They have laid down internal financial controls to be followed by the Company which are adequate and are operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

### 7. RISK MANAGEMENT:

MGL recognizes that all aspects of its business involve significant risk and that its actions are increasingly exposed to greater scrutiny by the public, investors, and its stakeholders. The macro-environment that surrounds us is complex and dynamic in nature, which requires us to remain alert, updated and monitor the uncertainties in order to respond to the probable challenges. Therefore, we have a well-established Risk Management Function headed by Chief Risk Officer (CRO).

MGL has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed, and mitigated appropriately. MGL monitors, manages, and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Risk Management Framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal best with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness

of the management of these risks and intervene for improvement where necessary and report throughout the management chain up to the Risk Management Committee on a periodic basis about how risks are being monitored, managed, assured and improvements are made. The Risk Management Committee has overall responsibility for monitoring and approving the risk policies and associated practices of MGL. The Committee is also responsible for reviewing and approving risk registers.

A collaborative ERM software tool is implemented to ensure that Risk Management Processes are embedded in all business processes and operations.

## 8. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

The Company has put in place robust Internal Financial Control ('IFC') framework commensurate with its size & operations, to provide reasonable assurance with regard to recording and providing reliable financial information and complying with applicable accounting standards. The controls have been well documented in Risk Control Matrix (RCM) and embedded in the business processes. These controls are reviewed periodically and also updated as and when changes occur in the business process. Findings & recommendations based on testing of controls are placed periodically before the Audit Committee. The Company has laid down Standard Operating Procedures and policies to guide the operations of the business. Head of Functions/Department are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues.

The Company has appointed a well-known firm of Chartered Accountants to conduct the Internal Audit. The firm functionally reports to the Audit Committee, thereby maintaining objectivity.

The Statutory Auditors in their report have expressed an unmodified opinion on the adequacy and effectiveness of the Company's internal financial controls over financial reporting.

## 9. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company recognizes that having an effective and robust vigilance mechanism in place has emerged as an integral part in managing business organizations today. It maintains an ethical business environment to all stakeholders by ensuring clean and transparent transactions, professionalism and productivity.

MGL has a Whistle blower policy in place as a part of vigil mechanism that provides a formal channel for all its Directors, employees, and vendors to make protected disclosures about the unethical behaviour, actual or suspected fraud or violation of the MGL Code of Conduct. MGL encourages more emphasis on preventive vigilance aspect so that the system itself addresses the issue of ethics to a great extent. MGL expects a sense of integrity and responsibility among its employees.

The details of the Vigil Mechanism and Whistle Blower Policy are available on the web link of the Company at [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_56\\_MGL-Vigilance\\_Directive\\_68b18bb05b.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_56_MGL-Vigilance_Directive_68b18bb05b.pdf) and

[https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_70\\_MGL-Whistleblower\\_Policy\\_14b8cc6959.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_70_MGL-Whistleblower_Policy_14b8cc6959.pdf) respectively.

## 10. CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted the Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is also available on the website of the Company at [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_MGL-CSR\\_Policy\\_952a5a4889.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_MGL-CSR_Policy_952a5a4889.pdf)

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (including the activities undertaken by the Company during the period of COVID-19 under CSR) is enclosed herewith as Annexure I to this report.

## 11. DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a policy on Prevention of Sexual Harassment of Women at Workplace which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The objective of this Policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment.

Your Company has also complied with the provisions of setting up of an Internal Complaints Committee which is duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts adequate awareness

programs and interactive sessions against sexual harassment for all the employees, to build awareness amongst its employees about the Policy and the provisions of POSH Act. There are no complaints or concerns received or observed during FY 2021-22 pertaining to sexual harassment.

## 12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status and the Company's future operations.

## 13. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. APPOINTMENT AND CESSATION OF DIRECTORS

The details of appointment and cessation of Directors of the Company, during the year under review, are given in the table as hereunder:

Sr. No.	Name of the Director and DIN	Details of Appointment or Cessation
1.	Mr. Deepak Sawant (DIN: 07339381)	Resigned as Whole Time Director (Designated as Deputy Managing Director) w.e.f. April 05, 2021 due to withdrawal of nomination by GAIL (India) Limited.
2.	Late Mr. Premesh Kumar Jain (DIN: 02145534)	Ceased to be Director w.e.f. April 20, 2021 due to untimely demise. The Board expresses its heartfelt condolence and appreciates his noteworthy guidance and contribution towards growth of the Company.
3.	Mr. Sanjay Shende (DIN: 09172642)	Appointed as Whole Time Director (Designated as Deputy Managing Director) with effect from w.e.f. May 24, 2021.
4.	Mr. Baldev Singh (DIN : 03577274)	Appointed as Nominee Director of Government of Maharashtra on the Board w.e.f. April 28, 2021.
5.	Mr. Rajeev Bhaskar Sahi (DIN: 06662067)	
6.	Mrs. Malvika Sinha (DIN: 08373142)	Appointed as Independent Directors on the Board w.e.f. August 24, 2021.
7.	Mr. Venkatraman Srinivasan (DIN: 00246012)	

The Board places on record its appreciation for the valuable services rendered by the outgoing Directors during their tenure as Directors of the Company.

All Independent Directors of the Company have submitted the Declaration of Independence to the Company and pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The above mentioned appointments were based on the recommendation of the Nomination and Remuneration Committee of the Board and were approved by the shareholders at the 26<sup>th</sup> Annual General Meeting.

## B. Key Managerial Personnel other than Directors

The details of appointment and cessation of Key Managerial Personnel of the Company, during the year under review, are given in the table as hereunder:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation	Reason for Cessation / Appointment
1.	Mr. Sunil M. Ranade	Chief Financial Officer	-	October 31, 2021	Superannuation
2.	Mr. Rajesh D. Patel	Chief Financial Officer	November 01, 2021	-	Appointed as CFO consequent upon superannuation of Mr. Sunil M. Ranade

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are Mr. Sanjib Datta, Managing Director, Mr. Sanjay Shende, Deputy Managing Director, Mr. Rajesh D. Patel, Chief Financial Officer and Mr. Atul Prabhu, Company Secretary and Compliance Officer.

## 14. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards' functioning such as composition of the Board and Committees, experience and competencies etc.

## 15. NOMINATION AND REMUNERATION POLICY:

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, a policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is available on the website of the Company at [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_MGL-Nomination\\_and\\_Remuneration\\_Policy\\_329e2e5b7e.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_MGL-Nomination_and_Remuneration_Policy_329e2e5b7e.pdf)

## 16. STATUTORY AUDITORS:

M/s. S R B C & Co. LLP, Chartered Accountants (Firm Reg. No. 324982E/E-300003) was appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 22<sup>nd</sup> Annual General Meeting held on September 25, 2017 till the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company.



M/s. SRBC & Co. LLP, Chartered Accountants (Firm Reg. No. 324982E/E-300003) has carried out the Statutory Audit of your Company for the financial year 2021-2022. Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the Financial Statements of the Company for FY 2021-2022, is disclosed in the Financial Statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report for the year under review. The Notes to the financial statements referred to in the Auditors' Report for FY 2021-2022 of M/s. S R B C & Co. LLP are self-explanatory and do not call for any further comments.

Further, the Board of Directors at its meeting held on February 08, 2022, recommended the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.: 117366W/W100018) as the Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of forthcoming 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting, subject to approval of shareholders of the Company at the forthcoming Annual General Meeting.

### 17. REPORTING OF FRAUDS BY AUDITORS:

The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

### 18. SECRETARIAL AUDITORS:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Dholakia & Associates LLP, Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2021-2022. The Secretarial Audit Report for the Financial Year 2021-2022, issued by M/s. Dholakia & Associates LLP, Company Secretaries, in Form MR-3 is enclosed herewith as Annexure 2 to this report. The Secretarial Audit Report is self-explanatory in nature. The Company has complied with the provisions of the applicable laws except for the provisions pertaining to composition of Board of

Directors including non-filling vacant position of a Woman Independent Director, composition of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee, more particularly described in Annexure 2.

In this regard, the Company had appointed three Independent Directors on the Board of the Company including one Woman Independent Director on August 24, 2021, the Committees of the Board were reconstituted accordingly and subsequently complied with the statutory requirements. Further, the Company is in compliance with the statutory requirements of composition of Board and its Committees as on the date of the report.

### 19. COST AUDITORS:

Your Company is required to carry out Cost Audit pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. M/s. Dhananjay V. Joshi & Associates, Cost Accountants, conducted this audit for the Company's Financial Year ended March 31, 2022 and submitted their Report to the Central Government in Form CRA 4. The Board of Directors has on the recommendation of the Audit Committee appointed M/s. Dhananjay V. Joshi & Associates, Cost Auditors to audit the Cost Accounts of the Company for Financial Year 2021-2022 on remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand Only) plus applicable taxes and travelling and out of pocket expenses to be reimbursed at actuals up to ₹ 25,000/-.

Your Company is maintaining cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

### 20. PARTICULARS OF LOANS, ADVANCES, GUARANTEES AND INVESTMENTS:

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements, if any.

## 21. RELATED PARTY TRANSACTIONS:

During the year under review, all Related Party Transactions were entered at arm's length and in ordinary course of business of the Company. The Related Party Transactions are placed before the Audit Committee for its prior approval. Further, prior omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. Prior approval of shareholders is obtained for all Material Related Party Transactions to be entered into by the Company. The details of Related Party Transactions entered into by the Company during the year under review are mentioned in the notes to the Financial Statements. Further, all Material Related Party Transactions arising from contracts/arrangements with Related Parties referred to in the Section 188(1) of the Companies Act, 2013 and as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 have been attached as Annexure 3 to this Report. Your Company has adopted a Related Party Transactions Policy, as approved by the Board, and is uploaded on the Company's website at the web link [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_MGL\\_Policy\\_on\\_Related\\_Party\\_Transactions\\_7e65246e63.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_MGL_Policy_on_Related_Party_Transactions_7e65246e63.pdf)

## 22. DISCLOSURE REGARDING REMUNERATION TO DIRECTORS AND EMPLOYEES:

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as Annexure 4 to the Report. The information as per Rule 5 of the Rules forms part of this Report. However, as per second proviso of Rule 5 of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Further, none of the employees of the Company, if employed throughout the financial year was in receipt of remuneration exceeding ₹102 Lakh and, if employed for part of the year was in receipt of remuneration of ₹ 8.50 Lakh or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 23. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company consciously makes all efforts to conserve energy across all its operations. A report containing details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is enclosed as Annexure 5 to this Report.

## 24. MANAGEMENT DISCUSSION AND ANALYSIS:

A separate report on Management Discussion and Analysis as stipulated by the Listing Regulations forms part of this Annual Report

## 25. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for the year ended March 31, 2022, as stipulated under Regulation 34 of the Listing Regulations, is annexed which forms part of this Annual Report.

## 26. CORPORATE GOVERNANCE:

As per the requirements of the Listing Regulations, a detailed Report on Corporate Governance and certificate regarding compliance of conditions of Corporate Governance are part of this Annual Report. M/s. Santosh Singh & Associates, Practicing Company Secretary vide certificate dated May 10, 2022 have confirmed that the Company is compliant with the conditions stipulated in the Chapter IV of the Listing Regulations.

## 27. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE:

The Board confirms that Independent Directors appointed during the year possess integrity, expertise and experience.

## 28. ANNUAL RETURN:

Pursuant to the provisions of Sections 92(3) and 134(3) of the Companies Act 2013 read with rules made thereunder, the copy of annual return is available on the website of the Company i.e. <https://www.mahanagargas.com/>

## 29. OTHER DISCLOSURES

In terms of the applicable provisions of the Companies Act, 2013 and Listing Regulations, your Company additionally discloses that during the year under review :

- There was no change in the nature of business of your Company;
- Your Company has not issued any shares with differential voting rights;
- Your Company has not issued any Sweat Equity Shares;
- There is no plan to revise the Financial Statements or Directors' Report in respect of any previous financial year;
- No material changes and commitments have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report affecting the financial position of the Company;
- Your Company does not engage in commodity hedging activities.

## 30. AWARDS AND RECOGNITIONS:

MGL's CSR initiative 'MGL Vikas' for integrated village development being implemented in the villages of Sudhagad Pali Taluka, Raigad through it's NGO partner, 'The Pride India' was awarded CSR Excellence Award 2020 in Gold Category by Apex India Foundation.



Place : Mumbai  
Date : July 27, 2022

**Sanjay Shende**  
Deputy Managing Director  
(DIN: 09172642)

**Sanjib Datta**  
Managing Director  
(DIN: 07008785)

## 31. ACKNOWLEDGEMENT:

We take this opportunity to place on record our appreciation to the Ministry of Petroleum & Natural Gas, Government of India, Petroleum & Natural Gas Regulatory Board, Government of Maharashtra (GOM), Maharashtra State Road Development Corporation Limited, Municipal Corporations of Greater Mumbai, Navi Mumbai, Thane, Mira-Bhayander, Kalyan-Dombivali, Raigad, Panvel, other State and Central Government Authorities, Mumbai Metropolitan Regional Development Authority (MMRDA), Maharashtra Industrial Development Corporation (MIDC), Police and Fire Brigade authorities, all our customers, members, investors, vendors, suppliers, business associates, bankers and financial institutions for their continuous co-operation and support.

We are grateful for guidance and support received from Statutory Auditor, Cost Auditor and Secretarial Auditor.

COVID-19 pandemic has caused an unprecedented loss of lives in India as well as globally. We respect and have gratitude for all the COVID warriors and frontline workers who risked their lives to fight the pandemic.

We acknowledge the patronage of GAIL (India) Limited and GOM for their support and above all, we place on record our sincere appreciation for the hard work, solidarity and contribution of each and every employee of the Company in driving the growth of the Company.

For and on behalf of the Board of Directors

# Annexure 1

## A) Report on CSR Activities

Mahanagar Gas Limited (MGL) is a responsible corporate citizen conscious of its social responsibility and has been continuously contributing towards national developmental agenda. MGL's CSR initiatives contribute to environment protection, development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct and social initiatives.

1. **MGL Vidya:** – MGL's CSR initiative for fostering the cause of education.

Through this initiative, MGL has identified more than 1500 out of school children and is aiding their mainstreaming by bridging their learning gaps. The company has also facilitated enhancement of infrastructure in schools by repairing and renovating buildings, providing drinking water facilities, benches, Teaching and Learning Material, Sports Material, Training and support to Anganwadi workers and primary school teachers, etc.

2. **MGL Saksham:** – MGL's CSR intervention for empowerment of deprived and undeserved sections of the society. Under the initiative, MGL has supported nearly 500 handicapped individuals with assistive aids and appliances, besides facilitating therapeutic interventions for 70 individuals (mostly children) diagnosed with multiple disabilities.

50 children who are either orphaned or abandoned are being groomed in a home in a loving and caring environment to facilitate normal growth trajectory. MGL has also supported the holistic development of families of 450 orphan children in Alibaug Taluka of Raigad District.

More than 15000 individuals spread across 12 slum pockets of Mumbai are benefitting from

project Disha with interventions like support classes, computer education, formation and strengthening of Self-Help Groups (SHGs), support for entrepreneurship development, health camps, financial literacy, etc. Under a similar initiative, 400 children and women from the slums of Mumbra and Bhiwandi are being supported through balwadis, support classes, adult literacy center and a vocational skilling center.

3. **MGL Hunar:** – MGL Hunar includes intervention for empowering youth through skill development for enhancing employability. Under MGL Hunar, MGL has facilitated skills augmentation training to 120 youth in the trade of Gas Plumbing. 75 youth who were undergoing technical education in ITIs were extended financial support in the form of scholarships.
4. **MGL Aarogya:** – MGL's CSR intervention for promoting health care.

MGL has supported Nair Hospital for upgradation of Cardiology ward with medical facilities, procurement and installation of high-end equipment which will benefit more than 5000 patients. Bhakti Vedanta pops up with health camps organized under MGL Aarogya.

MGL is supporting pediatric cancer patients by providing them safe and hygienic stay, nutritious meals, etc. during their treatment. Nearly 90 patients with families benefitted from the intervention during the year. We have also taken care of the hassle-free traveling of cancer patients by donating a bus.

MGL is facilitating access to safe drinking water, awareness of SHGs for village cleanliness, livelihood intervention to nearly 7000 individuals across 3 villages of Raigad District through installation of water filtration plants.

5. **MGL Vikas:** - Under this initiative, integrated development of 6 villages of Raigad District is being facilitated, benefitting nearly 6500 individuals through activities like infrastructure upgradation, individual and community level hygiene and sanitation, environmental protection, enhancing quality of education, awareness generation, rights realization, health, etc.
6. **MGL Unnati:** - Under this project CSRL provides work readiness program by giving skill education and provide placement opportunity. We address issue of lack of opportunities to the underprivileged but talented 120 students yearly. The parents of these students cannot afford the financial support needed for shaping their careers.

#### CSR POLICY

The Company adopted a revised CSR Policy during the year 2019 aligned with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy was approved by the Board of Directors and is uploaded on MGL website. The Company's Policy on Corporate Social Responsibility can be accessed on our website through the link: [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_MGL-CSR\\_Policy\\_952a5a4889.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_MGL-CSR_Policy_952a5a4889.pdf)

The implementation, monitoring and evaluation of CSR projects will be as per the guidelines in the Companies (Corporate Social Responsibility Policy) Rules 2014.

#### COMPOSITION OF THE CSR COMMITTEE

As on March 31, 2022, the CSR Committee had two Independent Directors, Managing Director and Deputy Managing Director as its members as follows:

1. Mrs. Malvika Sinha, Independent Director
2. Mr. Syed S. Hussain, Independent Director
3. Mr. Sanjib Datta, Managing Director
4. Mr. Sanjay Shende, Deputy Managing Director

#### Details of amount spent on CSR activities during the financial year

Average net profit of the Company for the last three financial years under Section 198 of Companies Act, 2013 is ₹ 85961.64 Lakh. Prescribed CSR expenditure computed at two per cent of the average profit mentioned above for the Financial Year 2021-2022 was ₹ 1,719.23 Lakh.

Total budget sanctioned for CSR projects for FY 2021-22 was ₹ 1,719.23 Lakh. An amount of ₹ 857.61 Lakh has been utilized during the year and balance amount of ₹ 861.61 Lakh was transferred to unutilized CSR fund account for ongoing CSR projects.

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

### B) Annual Report on CSR Activities to be Included in the Directors' Report for Financial Year Commencing on or after 1<sup>st</sup> Day of April, 2022

1. Brief outline on CSR Policy of the Company.

The Company adopted a revised CSR Policy during the year 2019 aligned with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy was approved by the Board of Directors and is uploaded on MGL website. The Company's Policy on Corporate Social Responsibility can be accessed on our website through the link: [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_MGL-CSR\\_Policy\\_952a5a4889.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_MGL-CSR_Policy_952a5a4889.pdf)

The implementation, monitoring and evaluation of CSR projects will be as per the guidelines in the Companies (Corporate Social Responsibility Policy) Rules 2014.

## 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Malvika Sinha	Independent Director	4	3*
2.	Mr. Syed S. Hussain	Independent Director	4	4
3.	Mr. Sanjib Datta	Executive Director	4	4
4.	Mr. Sanjay Shende	Executive Director	4	4

\*Mrs. Malvika Sinha was appointed as Member and Chairperson of the CSR Committee w.e.f. August 24, 2021. Post her induction, 3 CSR Committee meetings were held between August 24, 2021 and March 31, 2022.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <https://www.mahanagargas.com/csr/csr-policies.aspx>
- Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Nil
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	-	-

- Average net profit of the company as per section 135(5) - ₹ 85,961.64 Lakh
- Two percent of average net profit of the company as per section 135(5) - ₹ 1,719.23 Lakh
  - Surplus arising out of the CSR projects or programs or activities of the previous financial years - Nil
  - Amount required to be set off for the financial year, if any - Nil
  - Total CSR obligation for the Financial Year (7a+7b-7c) - ₹ 1,719.23 Lakh
- CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8,57,61,354	8,61,61,931	April 29, 2022	NA	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - through Implementing Agency	
				State	District						Name	CSR Regn. number
1	MGL Vidyā	II	Yes	Maharashtra,	Raigad	2 Years	96,85,909	38,23,529	58,62,380	No	Humana People to People India	NA
2	MGL Saksham	I, II & III	Yes	Maharashtra,	Raigad	2 Years	2,19,25,246	1,18,65,013	7,42,003	No	SOS Children Village of India	NA
3	MGL Saksham	III	Yes	Maharashtra,	Raigad	2 Years	55,57,986	14,18,096	15,15,284	No	PRIDE India	NA
4	MGL Saksham	III	Yes	Maharashtra,	Mumbai	2 Years	49,71,352	0	49,71,352	No	Sahyogini Palak Sanstha	NA
5	MGL Hunar	II	Yes	Maharashtra,	Mumbai	2 Years	82,26,000	0	29,47,650	No	AHMSSC	NA
6	MGL Hunar	II	Yes	Maharashtra,	Mumbai	2 Years	1,05,19,440	0	1,05,19,440	No	Devloka Education Trust	NA
7	MGL Vikas	X	Yes	Maharashtra,	Raigad	3 Years	2,59,85,580	66,70,788	4,37,494	No	PRIDE India	NA
8	MGL Unnati	II	Yes	Maharashtra,	Mumbai	2 Years	1,87,94,000	44,89,730	1,23,32,270	No	CSRL	NA
9	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	1,45,72,000	60,16,781	22,19,219	No	St. Jude India Child Care Centre	NA
10	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	1,37,73,000	84,44,800	42,22,400	No	MGM Hospital Belapur	NA
11	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	1,00,00,000	75,00,000	25,00,000	No	ALIMCO	NA
12	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	48,00,000	7,20,000	40,80,000	No	Shanmukhanand	NA
13	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	50,00,000	37,50,000	12,50,000	No	ALIMCO Additional	NA
14	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	3 Years	1,36,85,034	0	1,16,81,705	Yes	SCST & BHF Hospital	NA
15	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	77,29,221.01	0	77,29,221.01	No	Nair Hospital Dental	NA
16	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	26,28,000	26,04,000	24,000	Yes	SACH	NA
17	MGL Aarogya	I	Yes	Maharashtra,	Mumbai	2 Years	1,76,53,407	8050894	96,02,513	No	Nair Hospital	NA
18	M&E	NA	Yes	Maharashtra,	Mumbai	2 Years	3525000	0	3525000	Yes	Marathwada Gramin Vikas Kendra	NA
<b>Total</b>								<b>6,53,53,631</b>	<b>8,61,61,931</b>			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - through implementing agency	
				State	District			Name	CSR registration number
1	MGL Saksham	VI	Yes	Central		25,00,000	Yes	Armed Force	NA
2	MGL Aarogya	I	Yes	Maharashtra, Mumbai		65,48,458	No	Sri Chaitanya Seva Trust	NA
3	MGL Aarogya	I	Yes	Maharashtra, Parbhani		57,83,457	No	Setu Charitable Trust	NA
<b>Total</b>						<b>1,48,31,915</b>			

(d) Amount spent in Administrative Overheads – ₹ 55,75,808

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 8,57,61,354

(g) Excess amount for set off, if any – Nil

Sr. No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per Section 135(5)	₹ 1,719.23
(ii)	Total amount spent for the Financial Year	₹ 857.61
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-2021	5,38,93,823	3,55,89,819.50	NA	NA	NA	1,83,04,002
2.	2019-2020				NA		
3.	2018-2019				NA		



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	NA	MGL Aarogya	2020-21	3 Years	95,16,000	44,16,095	53,67,689	Ongoing
2	NA	MGL Vikas	2019-20	4 Years	2,39,03,930	71,84,248	1,19,56,013	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

(a) Date of creation or acquisition of the capital asset(s)- Nil

(b) Amount of CSR spent for creation or acquisition of capital asset- Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

MGL has made ongoing commitment in excess of its CSR obligation for the year. Owing to COVID pandemic and consequent lockdown, some of our ongoing interventions were adversely impacted. Attempts will be made to make up for the same during the remaining period of the intervention. Committed funds remaining unspent during the year has been duly transferred to Unspent CSR account.

12. This is to submit that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company. Further, the funds disbursed for CSR activities have been utilized for the purposes and in manner as approved by the Board/ CSR Committee

Place : Mumbai  
Date : July 27, 2022

**Sanjib Datta**  
**Managing Director**  
(DIN: 07008785)

**Malvika Sinha**  
**Chairperson – CSR Committee**  
(DIN: 08373142)

# Annexure 2

## **FORM NO. MR-3 SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Issued in Pursuance to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,  
The Members,  
**Mahanagar Gas Limited**  
MGL House, Block No.G-33,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai- 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahanagar Gas Limited (CIN L40200MH1995PLC088133)** (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March, 2022 through electronic platform due to continued widespread outbreak of pandemic COVID-19 resulting in partial lockdown during the period under audit. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. This Company is governed mainly under the provisions of the Petroleum and Natural Gas Regulatory Board Act, 2006, the Gas Cylinder Rules, 2004 ("Special Acts"), the Companies Act, 2013 and rules framed thereunder where there is no inconsistency with the Special Acts applicable to the Company.

A. In expressing our opinion, it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances 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. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.

- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
  - iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
  - v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the online verification of procedures on test basis.
  - vi. 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.
- B. Based on our verification of the Company'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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

- C. We have conducted an online examination of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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;
  - V. A. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (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, 2015;
    - (c) 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;
  - B. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit: -
    - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
    - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12<sup>th</sup> August 2021) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August 2021);
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16<sup>th</sup> August 2021) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 17<sup>th</sup> August 2021);
- VI. And the Company being in the business of Gas Distribution, the Special Act as applicable to it is the Petroleum and Natural Gas Regulatory Board Act, 2006 and Gas Cylinder Rules, 2004;

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

- (i) Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time issued by The Institute of Company Secretaries of India;

- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) to the extent applicable for listing of its Equity Shares;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except that the Company did not comply with :

- (a) Regulation 17 of LODR with regard to minimum number of Directors, Woman Independent Director and Woman Director read with Section 149 of the Act for the period 01.04.2021 to 23.08.2021 and Number of Independent Directors for the period 20.04.2021 to 23.08.2021.
- (b) Regulation 18 of LODR with regard to composition of the Audit Committee (AC) for the period 21.04.2021 to 23.08.2021 and quorum for the AC meetings held on 24.05.2021 and 28.07.2021.
- (c) Regulation 19, 20 and 21 of LODR with regard to composition of the Nomination and Remuneration Committee (21.04.2021 to 23.08.2021), Stakeholders Relationship Committee (06.04.2021 to 19.07.2021) and Risk Management Committee (21.04.2021 to 19.07.2021).
- (d) Section 135 of the Act with regard to composition of Corporate Social Responsibility Committee for the period 06.04.2021 to 19.07.2021.

The Company has appointed three new Independent Directors including Woman Independent Director on the Board of the Company w.e.f. 24<sup>th</sup> August 2021 and complied with the provisions of Section 149 of the Act and Rules made thereunder and Regulation 17, 18 and 19 of the LODR.

D. We further report that--

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors except to the extent as mentioned above. 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 Companies Act, 2013.

- II. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance for meetings as per the prescribed timelines 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;
- III. Majority decision is carried through and there was no instance of any director expressing any dissenting views.
- E. We further report that there are reasonable systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company is in the process of strengthening the same.
- F. We further report that during the audit period:
1. The Company has altered its Articles of Association to adopt, substitute and supersede the existing set of Articles at the 26<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2021.
  2. The Company has received notices from National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) with respect to non-compliance pertaining to the composition of the Board including non-filling of vacant position of Woman Independent Director and composition of the Board Committees for the quarter ended 31<sup>st</sup> March, 2021 and 30<sup>th</sup> June, 2021 against which Company has submitted its response and paid the fines levied by the BSE and NSE. Further, the Company has made representation for waiver of fines levied by the BSE and NSE for the quarter ended 30<sup>th</sup> September 2021, as the Company had appointed three new independent Directors on

the Board and complied with the Regulations of LODR w.e.f. 24<sup>th</sup> August 2021 as per Standard Operating Procedure for suspension and revocation of trading of specified securities.

3. None of the following events has taken place-

I. Public/Rights/Preferential Issue of Shares/ Debentures etc.

II. Redemption/buy-back of securities.

III. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.

IV. Merger/Amalgamation/Reconstruction, etc.

V. Foreign Technical Collaborations.

**For DHOLAKIA & ASSOCIATES LLP**  
(Company Secretaries)

**CS Nrupang B. Dholakia**  
**Designated Partner**  
FCS-10032 CP No. 12884

Place: Mumbai  
Date: May 10, 2022  
UDIN: F010032D000298243

# Annexure 3

## Form No. AOC-2

### [Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Mahanagar Gas Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or not at arm's length during FY 21-22.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has entered into material contract / arrangement / transaction with its related parties which are in ordinary course of business and at arm's length during FY 21-22. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

(a) Name(s) of the related party and nature of relationship:

- I. GAIL (India) Limited (GAIL), Promoter

(b) Nature and Duration of contracts/arrangements/transactions:

- I. APM Agreement (Administered Price Mechanism) Nature: Long Term Gas Sales

and Transportation Contract (Duration: June 05, 2009 – July 06, 2021)

- II. Non-APM (for CNG Transport & PNG Domestic Segment) Term Sheet Nature: Term Sheet (Duration: August 14, 2017 – July 06, 2021)
- III. SPOT RLNG Contracts (Spot Gas Sale Agreement) Nature: Short Term Spot Gas Sales Agreement (Duration: November 29, 2010 – July 31, 2021)
- IV. Gas Transmission Agreement (GTA) Nature: GTA dated January 02, 2008 (Duration: January 02, 2008 – January 01, 2033)

(c) Salient terms of the contracts or arrangements or transactions including the value, if any

- I. Purchase of Domestic Gas (₹ 90,155.52 Lakh) from GAIL is through Domestic GAS allocation by Ministry of Petroleum & Natural Gas.
- II. Purchase of RLNG (₹ 50,396.74 Lakh) from GAIL is as per the terms of the agreement/term sheet.
- III. Purchase of SPOT RLNG is through a Board approved process/Sourcing Policy of competitive bidding in the ordinary course of business and at arm's length basis.

(d) Date(s) of approval by the Board, if any: Not applicable, since the contracts were entered into in the ordinary course of business and on arm's length basis.

(e) Amount paid as advances, if any: NA

For and on behalf of the Board of Directors

Place : Mumbai  
Date : July 27, 2022

**Sanjay Shende**  
Deputy Managing Director  
(DIN: 09172642)

**Sanjib Datta**  
Managing Director  
(DIN: 07008785)

# Annexure 4

## Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 (the Act) read with Rule 5 of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

### I. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-2022:

Sr. No.	Name of Director (Executive/Non-Executive/ Independent Director)	Directors' Remuneration (₹ in Lakhs)	Ratio
1.	Mr. Sanjib Datta, Managing Director	115.58	8.01:1
2.	Mr. Sanjay Shende, Deputy Managing Director	88.83	6.16:1
3.	Mr. Deepak Sawant, Deputy Managing Director	1.25	0.09:1
4.	Mrs. Malvika Sinha	8.85	0.61:1
5.	Mr. Syed S. Hussain	16.70	1.16:1
6.	Mr. Rajeev Bhaskar Sahi	6.65	0.46:1
7.	Mr. Venkatraman Srinivasan	8.30	0.58:1
8.	Mr. Manoj Jain	NA	NA
9.	Mr. Baldev Singh	NA	NA

Notes:

- Mr. Manoj Jain and Mr. Baldev Singh are the Non-Executive Non-Independent Directors of the Company and are not paid any remuneration.
- Mr. Deepak Sawant ceased to be Director (Designated as Deputy Managing Director) w.e.f. April 05, 2021.
- Mr. Baldev Singh, Nominee of Government of Maharashtra, was appointed as the Non-Executive Director of the Company w.e.f. April 28, 2021.
- Mr. Sanjay Shende was appointed as the Whole-Time Director designated as the Deputy Managing Director of the Company w.e.f. May 24, 2021.
- Mr. Rajeev Bhaskar Sahi, Mrs. Malvika Sinha and Mr. Venkatraman Srinivasan were appointed as the Non-Executive Independent Director of the Company w.e.f. August 24, 2021.
- Employee Median Remuneration (in Lakh) for the Financial Year 2021-22 (including SMG, KMP and S grade) is ₹ 14.43 Lakhs.

### II. Percentage increase in remuneration of Managing Director, Deputy Managing Director, Chief Financial Officer and Company Secretary of the Company for FY 2021-22:

Employee Name	Designation	Percentage increase in remuneration
Mr. Sanjib Datta	Managing Director	10.60%
Mr. Sanjay Shende	Deputy Managing Director	NA
Mr. Sunil Ranade	Chief Financial Officer	4%
Mr. Rajesh Patel	Chief Financial Officer	6%
Mr. Atul Prabhu	Company Secretary & Compliance Officer	7%

Notes:

- Mr. Sunil Ranade superannuated on October 31, 2021 and Mr. Rajesh Patel was appointed as Chief Financial Officer of the Company w.e.f. November 01, 2021.
- Mr. Sanjay Shende was appointed as the Whole-Time Director designated as the Deputy Managing Director of the Company w.e.f. May 24, 2021.

- III. The median remuneration of the eligible employees (Including S level and excluding SMG & KMP) has increased by 8.50 % in the financial Year 2021-22.
- IV. Company has 491 number of permanent employees on the rolls of company as on March 31, 2022. No employees were on Fixed Term Contract (FTC).
- V. It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- VI. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

Percentage increase in salary of eligible employees in FY 2021-22 (excluding SMG and KMP)	5.49% (Average % increment actual at paid)
Percentage increase in 2021-22 for SMG and KMP [including SVP (Mktg.), SVP (O&M), VP (Projects), VP (HR & CSR), VP (C&P and CRO), VP (BD & Commercial) Chief Financial Officer and Company Secretary & Compliance Officers]	5.50% (Average % increment actual at paid)

For and on behalf of the Board of Directors

Place : Mumbai  
Date : July 27, 2022

**Sanjay Shende**  
**Deputy Managing Director**  
(DIN: 09172642)

**Sanjib Datta**  
**Managing Director**  
(DIN: 07008785)



# Annexure 5

## CONSERVATION OF ENERGY

### A) Steps taken for conservation and utilizing alternate sources of energy :

Your Company has implemented a number of energy conservation measures at its various operating installations and CNG stations. It includes successful implementation of cascades of water capacity of 3000 litres to reduce the frequency of start-stop of the compressor, thereby improving efficiency and also implementation of cascades of water capacity of 4500 liters and 9000 liters for CNG transportation from mother station to daughter booster station through cascades mounted on vehicles, to reduce the frequency of movement of cascade carrying vehicles.

Your Company has started using Type 3 and Type 4 composite cylinder cascades. Six no. of Type 3/Type 4 cascades are deployed in operation. 44 Nos. of more Type III and Type IV composite cylinder cascades will be deployed in coming year.

54 no. of CNG fueled vehicles are deployed for transportation of CNG between mother stations and daughter booster stations. Further 88 more CNG fueled vehicles are planned for deployment in coming year.

This would result in considerable savings and contribution to environmental improvements.

Solar Power Plants of 107 KW in total are installed at MGL Offices and City Gate Stations (CGS) - CGS, Sion (17 KW), MGL Office, Mahape office (20 KW), CGS, Taloja (50 KW), CGS, Ambernath (10 KW), MGL owned station at MSRTC, Khopat, Thane (5 KW) and MGL owned station at NMMT, Turbhe, Navi Mumbai (5 KW). These have been commissioned and are successfully catering to the electrical lighting load of the office buildings.

Similarly, installation of Solar Power Plant of 10 KW is being planned at MGL owned CNG stations at Mankhurd in the coming year.

At MGL Office, Mahape, a natural gas-fueled Microturbine set has been commissioned generating sufficient power as the primary source (of power) for the office building wherein the grid power source is used only as the secondary or backup source. The exhaust heat emission of this Microturbine contributes to the air-conditioning system of the same building by getting utilized for the installed Vapor Absorption Machine with a heat recovery feature. This is a showcase of clean and green initiative.

Natural Gas fueled Generator sets are installed at City Gate stations (Mahape, Taloja and Ambernath) to provide electrical power back up during grid power failure. Natural gas fueled generators will be installed at Gas Receiving Station at Sion, Mumbai and Savroli, Raigad in coming year.

An Energy Conservation unit has been installed at MGL House, Bandra-Kurla Complex, which gives about 14-15% reduction in energy consumption on account of lighting load.

Continuous efforts are made to maintain electrical power factor at CNG stations at a desired level to achieve efficient use of electric energy. IGBT (Insulated Gate Bipolar Transistor) based advanced technology power factor correction panels are installed at all MGL owned and STU CNG stations .

Your Company has also taken various initiatives like development of compact DRS, improvement in the technical specification of flexible hose used for domestic connections in high rise buildings, standardization in usage of materials (to facilitate effective management of inventory), like, GI pipes, Service Regulators and RCC tiles.

Integrated CNG package is installed at one of the CNG station in Mumbai which has CNG compressor, CNG dispenser and CNG cascade in a single enclosure.

A field trial of 06 months of CNG Composite Dispensing Unit has been completed at Panvel, Raigad area. Use of similar installations will be extended to new geographical areas in coming years.

Electric Vehicle Charging station is set up at one of the existing CNG stations of MGL at CGS, Sion for providing services of charging of electric vehicles.

Online analyzer for real time monitoring of H<sub>2</sub>S, O<sub>2</sub> and moisture in natural gas coming to MGL is installed at City Gate Station, Sion and City Gate Station, Mahape.

**B) Capital investment on energy conservation equipments:**

Proposed installation of Solar Power Plant at CNG RO, Mankhurd and CNG RO, Ghatkopar (₹ 12 Lakh approx.).

**TECHNOLOGY ABSORPTION:**

Sr. No.	Particulars	Current Year 2021-2022
1.	Research and Development	
A.	Specific areas in which R&D carried out by the Company	<p>Continuity with development of:</p> <ul style="list-style-type: none"> <li>• Online monitoring of H<sub>2</sub>S/H<sub>2</sub>O/O<sub>2</sub> analyser for natural gas</li> <li>• Type 3/type 4 composite CNG cylinder cascades for CNG transportation</li> <li>• LoRa-based AMR system for Domestic customers</li> <li>• GSM/GPRS/LoRa based AMR system for Commercial Customers</li> <li>• Compact underground DRS with butterfly valves.</li> <li>• Usage of multi-layered composite pipes as a replacement of copper pipes.</li> <li>• Usage of PE pipes (embedded with copper wire) for better traceability</li> <li>• CNG HPRS for supply of PNG to remote areas</li> <li>• Practical and cost-effective data logger in DRS</li> <li>• Upgradation of Design of Canopy Fascia of CNG station</li> <li>• Replacement of higher sizes of diaphragm gas meters with RPD meters (which has better accuracy)</li> <li>• Review of technical specifications and Codes of Practice in process.</li> <li>• Design of PNG riser and lateral system in high-rise building with height more than 120 meters.</li> <li>• Design of PNG riser and lateral system for buildings having glass facades</li> <li>• Upgradation of Design of ancillary equipment in CNG station, Canopy Columns and Bay Indicators, Totem, Dispenser, Flag Post, Sales building, Bus Shelter, etc.</li> </ul>

Sr. No.	Particulars	Current Year 2021-2022
		<ul style="list-style-type: none"> <li>• SMS based services for advanced intimation to PNG Domestic customers about meter reader visit and meter reader details like name, photo</li> <li>• Development of CNG Transport Vehicles optimization software for effective utilization of vehicles and reduction of dry outs at Daughter Booster Stations</li> <li>• MGL SCADA system has been upgraded with advanced versions with additional features like web server, report generations etc.</li> </ul>
B.	Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>• Real time monitoring of gas quality</li> <li>• Efficient and economic transportation of CNG</li> <li>• Supply of PNG and CNG to remote areas</li> <li>• Development of other avenues of business</li> <li>• Improvement in the existing business processes and working standards of a City Gas Distribution Project</li> <li>• Facilitating better gas balancing of network</li> <li>• Development of Natural Gas Market</li> <li>• Safe and effective operation of Gas</li> <li>• Supply Network</li> <li>• Cost saving and energy saving</li> <li>• Effective inventory management</li> <li>• Enhancement of branding of MGL at CNG outlets</li> </ul>
C.	Future plan of action	<ul style="list-style-type: none"> <li>• Continuing vendor development (Diaphragm Gas Meters, Brass Ball Valves, etc.)</li> <li>• Review feasibility of providing PNG / CNG to remote locations through LCNG facilities.</li> <li>• Supply of PNG to areas of Pen and other parts of GA 3 by using CNG HPRS system</li> </ul>
D.	Expenditure on R&D: a) Capital b) Recurring c) Total d) Total R&D expenditure as a percentage of total turnover	NIL

Sr. No.	Particulars	Current Year 2021-2022
2.	Technology absorption, adaptation and innovation	
A.	Efforts, in brief, made towards technology adaptation and innovation	Review of Codes of Practice by third party agency
B.	Benefits derived as a result of the above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution, etc.	<ul style="list-style-type: none"> <li>• Safe operation of Gas Supply Network</li> <li>• Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meters, Brass Ball Valves.</li> <li>• Growth strategy</li> </ul>
C.	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished :	
(a)	Technology imported	NA
(b)	Year of import	NA
(c)	Has technology been fully absorbed	NA
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	NA
3.	Foreign Exchange Earning and Outgo	
	Total Foreign Exchange Earned	Nil
	Total Foreign Exchange Outgo	₹ 7.43 Crore

For and on behalf of the Board of Directors

Place : Mumbai  
Date : July 27, 2022

**Sanjay Shende**  
**Deputy Managing Director**  
(DIN: 09172642)

**Sanjib Datta**  
**Managing Director**  
(DIN: 07008785)

# Business Responsibility Report

## Section A: General Information about the Company.

1	Corporate Identity Number (CIN)	L40200MH1995PLC088133
2	Name of the Company	Mahanagar Gas Limited
3	Registered address	MGL House, Block G-33, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.
4	Website	<a href="http://www.mahanagargas.com">www.mahanagargas.com</a>
5	E-mail id	info@mahanagargas.com
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in City Gas Distribution. National Industrial Classification code of the Product is 3520.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Supply and Distribution in the city of Mumbai, Thane urban & adjoining municipalities and Raigad district of: <ol style="list-style-type: none"> <li>1. Piped Natural Gas for households</li> <li>2. Compressed Natural Gas for vehicles</li> <li>3. Piped Natural Gas for Industrial and Commercial establishments</li> </ol>
9	Total number of locations where business activity is undertaken by the Company	
	(a)Number of International Locations (Provide details of major 5)	Nil
	(b)Number of National Locations	<ol style="list-style-type: none"> <li>i. Registered Office in Bandra Kurla Complex, Mumbai and</li> <li>ii. City Gate Stations (CGS) at:- <ol style="list-style-type: none"> <li>a) Wadala, Mumbai</li> <li>b) Mahape, Navi Mumbai</li> <li>c) Ambernath, Thane</li> <li>d) Taloja, Raigad</li> </ol> </li> </ol>
10	Markets served by the Company – Local/State/ National/International	Local

## Section B: Financial details of the Company

1	Paid up Capital (INR)	₹ 9,877.78 Lakhs
2	Total Turnover (INR)	₹ 3,88,489.61 Lakhs
3	Total profit after taxes (INR)	₹ 59,694.72 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 857.61 lakhs, which is 1% of average net profit of the last 3 years, calculated in the manner specified in section 135 of the Companies Act, 2013 and rules made there under. The remaining amount towards total CSR obligation has been transferred to Unspent CSR Account as per Section 135(6) of Companies Act, 2013.
5	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> <li>• MGL Aarogya for Health Care and Sanitation</li> <li>• MGL Vidya for Education</li> <li>• MGL Saksham for Empowerment</li> <li>• MGL Hunar for employment enhancing vocational Skills</li> <li>• MGL Vikas for Community Development</li> <li>• MGL Hariyali – for Environment / Flora / Fauna Sustainability</li> <li>• Disaster Management</li> <li>• Training &amp; Capacity Building of CSR personnel and Administrative Expenses</li> <li>• Contribution to Armed Forces welfare</li> </ul>

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/ Companies?

Mahanagar Gas Limited (MGL) does not have any subsidiary company.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, none of the entity / entities with whom Company does business participates in the BR initiatives of the Company. However, such entities may be having BR initiatives as per their organization policies.

## Section D: BR Information

### 1. Details of Director/ Directors responsible for BR:

a.	Details of the Director/Directors responsible for implementation of the BR policy/policies	Sanjib Datta, Managing Director DIN: 07008785
b.	Details of the BR head	Sanjib Datta, Managing Director DIN: 07008785
		Telephone Number: 022 6678 5000 Email ID: info@mahanagargas.com

**2. Principle-wise (as per NVGs) BR Policy / policies:**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P-1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P-2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P-3 Businesses should promote the wellbeing of all employees.
- P-4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P-5 Businesses should respect and promote human rights.
- P-6 Business should respect, protect, and make efforts to restore the environment.
- P-7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P-8 Businesses should support inclusive growth and equitable development.
- P-9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes, all the policies have been framed as per the applicable legal framework.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Ref \$	Ref &	Ref &	Ref \$	Ref &	Ref &	Ref \$	Ref &	Ref &
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\$: <https://www.mahanagargas.com/investors/Policies.aspx>

&: Policy is available on the Company's intranet portal which is accessible to all employees of the Company.



**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

MGL is committed to remain a strong and sustainable organization. Managing Director and Senior Management Personnel monitored the BR performance of the company on an ongoing basis and the Board of Directors and its Committees review the same during their respective meetings.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company's Equity Shares got listed on Stock Exchanges (BSE and NSE) on July 01, 2016 and as mandated by SEBI, the Company released its first Business Responsibility Report for the Financial Year 2016-17. The Business Responsibility Report for the Financial Year 2021-2022 forms part of this Annual Report. The same is available on the website of the Company and can be accessed at <https://www.mahanagargas.com/investors/annual-reports.aspx>.

### Section E: Principle-wise Performance

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company has adopted a Code of Conduct for the Board Members and Senior Management as per applicable regulatory standards. A culture of integrity and ethics is promoted throughout the Company. Annual affirmation for compliance of the Code of Conduct is obtained from each of the Board Members and Senior Management. A separate Code of Conduct for all employees has been formulated. The values and commitment to adhere to ethical business practices are also binding upon all Suppliers, Contractors, and other external agencies dealing with the Company. MGL does not have any other Joint Venture, Subsidiary or Associate Company. We have a robust and effective Whistle Blower Policy which aims to deter and detect actual or suspected misconduct. Under this policy, employees can forward their concerns under Whistle Blower Policy in writing directly addressed to the Chairman of Audit Committee of the Company. The Company also has in place a Vigilance Mechanism policy and the same may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/Policies.aspx>



**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholders	Complaints Received during FY 2021-2022	Complaints Resolved during FY 2021-2022	Complaints Resolved (%)
Investor’s Complaints	2	2	100%
Vendor/ Contractor’s Complaints	NIL	NIL	NIL
Employees	NIL	NIL	NIL
Public (received through CPGRAM)	151	153*	101%

\*5 complaints received in FY 20-21 were closed in FY 21-22 and 3 complaints are carry forward

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.**

1. Piped Natural Gas for households
2. Compressed Natural Gas for vehicles
3. Piped Natural Gas for industrial and commercial establishments

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

**(a) Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

MGL is supplying Natural Gas which is a cleaner fuel leading to a low carbon transition. MGL always encourages the community to use PNG and CNG over conventional energy resources which generate higher emissions. Use of CNG today in MGL’s supply areas is reducing vehicular emissions/ pollutants by about 1547 tons per day, making a significant improvement in the environment. As Natural Gas is a relatively benign fossil fuel, this has led to reduction of emissions at customers end.

MGL has augmented solar power plant capacity at City Gate Station, Taloja by 30 KW which has reduced conventional energy consumption. Installation of Natural Gas fueled Microturbine of 65 KW is completed at MGL office, exhaust heat from which is utilized for centralized Air Conditioning. This is a green initiative leading to reduction in the power taken from the grid.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Ministry of Petroleum and Natural Gas (MoPNG) allocates domestically produced Natural Gas, an environmentally benign fuel, for the entire requirement of CNG and domestic PNG on top most priority. As per the MoPNG Guidelines, the Company has access to cost effective domestic Natural Gas equal to 110% of our past period CNG and domestic PNG sales.

For our industrial and commercial PNG consumers, the Company sources Regasified Liquefied Natural Gas (RLNG), again a clean fuel from a number of sources. The Company has entered into framework agreements for supply of RLNG with suppliers to source to RLNG in a competitive manner to address daily and seasonal fluctuations in gas demand. However, in order to meet the shortfall in domestic gas allocation, MGL is sourcing additional market priced natural gas Regasified Liquefied Natural Gas (RLNG) to cater to the increasing requirement of CNG and Domestic PNG segments.

The domestic gas as well as RLNG is transported through pipeline which is the most sustainable way of transportation.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company sources Natural Gas from GAIL and other suppliers as mentioned above. We follow a transparent least cost tendering approach for procurement. MGL selects its vendors based on carefully designed evaluation criteria for all goods and services to be procured. In this procurement process, an equal opportunity is given to the local established vendors as well as to any other small MSME vendors for participating in tendering process. The Company has a Contract and Procurement procedure which exempts MSME vendors from payment of Earnest Money Deposit.

MGL has implemented e-tendering Module to switch to paperless procurement. This takes care of procurement of goods as well as services which is very helpful for MSME and small vendors as it reduces their cost of travel, documentation and courier and also saves their time required for submitted the offers. E-tender Module has significantly reduced paperwork and facilitates bid submission in electronic form by bidders which has reduced tender turnaround time.

Bulk of our procurement of goods as well as services are from MSME and local vendors. MGL continuously strives for indigenization of products and develops vendor locally to strengthen supply chain. MGL encourages vendors falling under MSME category to participate in tender without submitting Earnest Money Deposit. Many components which were imported in the past are being sourced locally from MSME and Local vendors.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The nature of business being supply and distribution of Natural Gas, our operations consume minimal raw material and resources and generate minimal waste. The Company has a documented procedure for generation, handling, storage and disposal of various types of hazardous wastes as per the consent to operate, granted to City Gate Stations at Sion, Mahape, Ambarnath and Taloja by Maharashtra Pollution Control Board. Assets like laptops, printers and storages are given back under buyback to the vendors (desktops / laptops to employees at times), who supplies new assets. HP original cartridges are given back to HP under their HP Planet Partner MVC benefits which ensure recycling of these cartridges. Additionally, we have also been certified by HP for e-Waste management of HP printer cartridges

**Principle 3: Businesses should promote employee well-being**

**1. Please indicate the total number of employees.**

491 permanent employees (as on March 31, 2022).

**2. Please indicate the total number of employees hired on temporary / contractual / casual basis.**

The total numbers of employees hired on temporary / contractual / casual basis: 1556 (as on March 31, 2022).

**3. Please indicate the number of permanent women employees.**

Number of permanent women employees is 46 (as on March 31, 2022).

**4. Please indicate the number of permanent employees with disabilities.**

Number of permanent employees with disabilities is Nil.

**5. Do you have an employee association that is recognized by management?**

Yes, Company has one recognized employee association i.e. Petroleum Employee Union.

**6. What percentage of your permanent employees is members of this recognized employee association?**

18.53% of permanent employees are members of the recognized employee association (as on March 31, 2022).

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent Employees	491	473
Permanent Women Employees	44	34
Casual / Temporary / Contractual Employees <sup>#</sup>	24819 <sup>#</sup>	NA
Employees with Disabilities	NA	NA

<sup>#</sup>MGL has conducted trainings on various topics for 24,819 (Twenty Four Thousand Eight Hundred and Nineteen) Casual / Temporary / Contractual employees during the year 2021-22. The training topics include Safety and Technical Competency, Fire Fighting, First Aid, Road Safety, Electrical Safety, Disaster Management etc. The training has been imparted to various types of manpower including site supervisors, project managers, technicians, labourers, helpers, Site Engineers, Safety Officers, electricians, carpenters, plumbers etc. deployed by contractors for MGL work.

**Names of training** - Multi Hazard Safety and Disaster Reduction in Industries, Fire Related Training, Excavation Safety, Hazard Identification & Risk Assessment, Timely & Appropriate Emergency Response, Road Safety and Transport Infrastructure Resilience, WED Training, Uses of PPE's, Electrical Safety, ERDMP, Road , Permit to Work, Housekeeping and 5 'S' Techniques, Technical Session on LNG related aspects, Integrated management Training Program, Operations Risk Management, Defensive Driving, Heart Attack and Brain Attack-Things You Should Know, First Aid Training, Women Safety & Self Defence, Workshop on Office Ergonomics, Disaster Management System, Lifting M/c Tools & Tackles.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its various key internal and external stakeholders which include investors, customers, potential customers, employees, suppliers, vendors, Government bodies, media, civil society, facilitators, Regulating Authorities, communities and public at large and employs various mechanisms and practices for engaging with them for fruitful dialogue and continued relationship. MGL regularly engages with its community stakeholder group, including those falling under disadvantaged, vulnerable and

marginalized category in our areas of operations in Mumbai, Thane urban, the adjoining municipalities and the Raigad district to understand and respond to community needs in an effective manner. The Company organizes various interactive sessions with its suppliers, vendors and customers for their feedback and to offer better services. The Company has also registered an active presence in social media for interaction with external stakeholders. The Company also publishes Newsletters on monthly and quarterly basis for communication with internal stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders?**

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and

is actively working with them towards inclusive growth. At MGL, we understand that our growth and future is intrinsically linked with the well-being of communities around the areas we operate. MGL had broadly identified the following as disadvantaged, vulnerable and marginalized stakeholders: -

Slum communities, unemployed and underemployed youth, migrant labourers, daily wage earners, tribal communities, rural communities, alternately abled, etc. especially women, adolescent, children and youth and patients which are suffering from terminal illness within these broad categories.

**3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

At MGL, we have catalyzed reforms and identified role of 3 E's in shaping the community around. MGL through its community outreach programs and initiatives continues to contribute and focus on Education (through the initiative Vidya), Environment (through the initiative Hariyali), Empowerment (through the initiatives Saksham and Hunar), Health (through the initiative Aarogya) and Rural Development (through the initiative Vikas) thereby fostering and furthering the philosophy of taking care of the community for a sustainable tomorrow. These projects are being implemented in partnerships with various government and non-government agencies.

Being a responsible Corporate, MGL proactively responds to any emergency needs of the society through our implementing partners.

**Principle 5: Businesses should respect and promote human rights.**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

MGL's Code of Conduct provides for conducting the activities in a way that respects human

rights as a business imperative for MGL. Human rights requirements include social performance, security of local communities, human resource policy and contracting and procurement leading to sustainable development. The Company has also formed an Internal Complaints Committee in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The members of this committee include representatives from the Company and external experts / NGO. MGL does not have any Group / Joint Ventures / Subsidiary / Associate Companies.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There were no grievances or complaints from any of the stakeholders of the Company with respect to human rights during the past financial year.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment.**

**1. Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

As a responsible organization, we are committed to take necessary steps for protection of the environment. MGL believes that outstanding business performance requires outstanding HSE performance by way of protecting the health and safety of our people, those affected by our operations, our physical assets, our reputation and the environment. The Company considers its contractors as business partners and expects them to adhere to Company's HSE standards. Regular Coaching and assistance is provided to the business partners.

MGL is accredited to ISO 14001:2015 pertinent to Environment Management System for all its City Gate Stations i.e. at Sion, Mahape, Ambarnath and Taloja. Regular audits are undertaken at par with international requirements by independent certification agencies. Environmental policies and procedures to protect environment are in place.

**2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

MGL understands its role and responsibility of mitigating the adverse effects of climate change and is committed to environmental protection. The Company is in the business of distribution of Natural Gas which is cleaner in comparison with other fossil fuels. The objectives and goals of the Company includes its contribution towards reduction of pollution in its geographical areas by expanding its operation and bringing Natural Gas to more customers for use as fuel in domestic, commercial, industrial sectors as well as in transport. You will be happy to note that during Financial Year 2021-22, MGL added 24 new CNG stations and upgraded its existing 26 CNG stations. MGL also added 1,20,000+ new domestic customers. These achievements will significantly impact the environment in positive manner.

In order to further address the environmental issues, MGL under its CSR initiative, has installed 100 nos. of solar power operated street lights in Raigad area. The Company, as a part of contribution to energy conservation, has installed Solar Power Systems at Mahape Admin office and CGS offices situated at Wadala, Mahape, Ambernath and Taloja, which are successfully catering to the electrical lighting load of the office buildings.

Similarly, such Solar Power Systems are installed at MGL offices at Thane and NMMT, Turbhe. MGL along with MPCB officials, conduct interactive sessions with industries who are using coal and FO/LDO to switchover to natural gas to reduce environmental pollution.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company is certified with ISO 14001:2015 for Environmental Management System (EMS) and identifies and assesses potential environmental risks. MGL has identified environmental risk aspects within the defined scope of the Environmental Management System i.e. at CGS - Sion, Ambernath, Mahape and Taloja for its activities, products and

services that it can control and those that it can influence, and their associated impacts, considering the entire life cycle perspective. These environmental risks are addressed by appropriate scenarios in the Emergency Response Plan of the Company.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No, as the Company is in the business of distribution of green fuel i.e. natural gas, the Company does not have any project related to Clean Development Mechanism.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has successfully implemented Environmental Management System (EMS) standard of ISO 14001:2015. The Company has developed several online modules for various Management Systems like Online training Module, Audit Module, Action Tracking Module, Work Permit Issue Module, Daily Safety Observation Module etc. for reducing the consumption of paper. These online modules are made available on the Company portal at <http://192.168.0.51/mglintranet/employee.aspx>. Energy Conservation Tips have been made available on the Company website [www.mahanagargas.com](http://www.mahanagargas.com) - Health, Safety & Environment - Environment Conservation Tips for Domestic and Industrial Usage. The Company has conducted an awareness session on Rainwater Harvesting Techniques through a renowned consultant in the field of environment. Also, the Company has installed solar power units at various locations. The company has taken initiatives to shift CNG Transport Vehicles (CTV) from diesel to natural gas thus reducing air pollution.

**6. Are the emissions / wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions / wastes generated by the Company for the Financial Year 2021-2022 are

within the regulatory defined limits stipulated by Maharashtra Pollution Control Board (MPCB) and are being reported regularly. Also, the details of hazardous waste generation and emissions are displayed at entry gate of MGL's City Gate Stations. Your Company has installed Ambient Air Quality Monitoring Stations at 5 designated Locations.

**7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

Nil.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

MGL is Member of Natural Gas Society

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

Various issues concerning the CGD sector and the views on such issues are brought forward by the Company to the association/ forum through constructive discussions without influencing public policy with vested interests.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.**

The Company has put in place a policy on Corporate Social Responsibility to guide its efforts on CSR initiatives. MGL being a responsible Corporate has been contributing in social investments primarily in the areas of Education, Empowerment, Environment and Health Care. Some of the major CSR initiatives of the organization are detailed below:-

**MGL VIDYA :-**

MGL Vidya is MGL's CSR initiative for furthering the cause of education.

The following projects / activities were implemented during the year: -

**Family Strengthening Program:-** MGL has supported integrated development of families of 450 vulnerable children to ensure continuity of their education and general wellbeing. The project was implemented in Alibaug region of Raigad District.

**MGL Vidya for Out of School Children:-** The project is for identifying and mainstreaming 1500 out of school children and entails grooming of identified out of school children through step – up methodology.

**MGL Vidya for Repair of School:-** With the objective of enhancing the infrastructure in the school, MGL has facilitated repair of Ambedkar School, Pen. MGL has also supported the schools with drinking water facilities, benches, etc.

**MGL Saksham:-** MGL Saksham is initiative of MGL for empowerment of various vulnerable and disadvantaged sections of our society.

**MGL Saksham for Divyangjan:-** Under MGL Saksham, MGL has distributed assistive aids and appliances to nearly 1500 alternately abled individuals (divyangjan) in Raigad District of Maharashtra.

**MGL Saksham for Individuals with Multiple Disability:-** Under MGL Saksham, MGL is extending therapeutic support to nearly 70 individuals with multiple disability (mostly children).

**MGL Saksham in Bhiwandi and Mumbra:-** Under MGL Saksham, MGL is operating balwadis, support classes, adult literacy center and vocational skills center in areas under Bhiwandi Nizampur Municipal Corporation and Mumbra region of Thane District. The beneficiaries of the project are amongst the most marginalized communities with extremely poor social indicators. The project has also enabled a number of rights realizations like enrollment in Aadhar, Ration Card, etc. More than 400 children and women are benefitting from the project.

**Family Like Home Care Program (MGL Saksham):-**

The family like home care program is benefitting more than 50 children who are either orphaned or abandoned. Under the initiative, such children are being groomed in home like loving and caring environment to ensure normal growth trajectory.

**Project Disha under MGL Saksham:-** MGL Disha is MGL's intervention for empowerment of slum communities. The project is being implemented in various slums of Mumbai (Kurla-Ghatkopar, Sion-Koliwada, Antop Hill, Reay Road, Cotton Green, Mahim, Andheri, Bandra, Matunga, Wadala, Sewri and Dockyard Road). The project seeks to benefit more than 15000 individuals with interventions like support classes and computer education for children, formation and strengthening of SHGs, entrepreneurship training, advance skills training, health camp, distribution of sewing machines and beauty care materials for enterprise promotion and financial literacy.

**MGL AAROGYA FOR HEALTH CARE :**

In view of the CoVID-19 pandemic, MGL has invested a significant portion of its CSR spent towards health care. The following projects / activities were taken up:-

**MGL Aarogya for Community Based Drinking Water Project:-** MGL is facilitating installation of community based, community owned and community operated water filtration plant in 3 villages of Raigad District of Maharashtra. The project will facilitate access to safe drinking water to nearly 7000 individuals across the 3 identified villages.

**MGL Aarogya for children of Sex Workers:-**

Balwadis for children of sex workers is an intervention of MGL to facilitate mainstream education as well as address the severe level of malnourishment amongst the children of sex workers. MGL is operating balwadis for development of pre academic skills to nearly 450 such kids in Parbhani and Jalna Districts of Maharashtra. The intervention primarily includes provision for mid-day meal, routine health camps and play way method for early education.

**MGL Aarogya for Pediatric Cancer Patients:-**

MGL is supporting pediatric cancer patients by

providing them safe and hygienic stay during their treatment along with ration and facility for cooking nutritious meal, transportation to and from hospital for treatment. Up to 23 patients and their families can avail the facility at any point of time.

**MGL Aarogya for enhancement of Health Related Infrastructure:-**

MGL has supported The Bandra Holy Family Hospital for upgradation of medical facilities. It includes support for procurement of medical equipments like dialysis machine, high end Plasma Sterilizer, etc. In a similar intervention, MGL is supporting upgradation of medical facility in a day care center. This includes support for procurement of hemodialysis machines. MGL Cardiology ward has been developed in Nair hospital. More than 3000 patients will be benefitted by the CSR activity.

**MGL Aarogya in response to CoVID pandemic:-**

In response to the CoVID-19 pandemic MGL in partnership with various partner organizations implemented the following activities: -

**Installation of Ventilators:-** 5 Ventilators were installed at Bhaktivedanta Hospital to take care of critically ill CoVID patients. These ventilators will later be shifted to ICU of the hospital to take care of other critically ill patients.

**MGL VIKAS FOR RURAL DEVELOPMENT :-**

Under MGL Vikas, integrated development of 6 villages of Raigad District is being facilitated. The activities include support towards infrastructure upgradation, individual and community level sanitation, environment protection, enhancing quality of education, awareness generation, rights realization, health, etc. Through the initiative, MGL is reaching out to nearly 6500 individuals across 1194 households.

**MGL HUNAR:**

Under the skilling intervention for 450 youth of raigad to facilitate their livelihoods opportunity in the best-in-class industry set-ups of apparel sector. Devloka Trust has trained 30 youths in plumbing general, in copper pipe soldering, testing, MCV installation etc., GI & Copper Pipe measurement. They successfully placed them in current market.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures / any other organization?**

To effectively manage, monitor and implement CSR initiatives of the Company and in terms of provisions of Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. Most of the programs are undertaken through external NGO's. However, MGL has a dedicated CSR department which continuously monitors the progress of CSR activities. The projects are also regularly reviewed by Senior Management including the Corporate Social Responsibility Committee and the Board of Directors. A detailed report on CSR initiatives forms part of Director's Report to the Annual Report and may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/annual-reports.aspx>

**3. Have you done any impact assessment of your initiative?**

The Company regularly monitors and conducts assessment of impact of the CSR initiatives undertaken on an ongoing basis with the help of third-party agency(s). MGL's CSR team also regularly visits the project for assessment of progress and to find the efficacy of the programmes. All the partners also submit monthly and quarterly progress and financial reports, which helps in monitoring of the interventions. This year MGL has hired an agency for third party impact assessment of projects completed in one year.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company has approved CSR projects amounting to ₹ 1719.23 Lakhs out of which ₹ 857.61 Lakhs were spent during the financial year 2021-22. Details of the CSR initiatives under which the projects have been approved are as under:-

Sr. No.	Initiative(s)	Amount Spent (₹ in Lakhs)
1	Health and Sanitation Initiatives including expenses towards 'Swachh Bharat Abhiyaan'	927.27
2	Education initiatives	264.70
3	Employability / Skill Enhancement interventions and Empowerment	134.67
4	Integrated Village Development programme	71.46
5	Empowerment	230.11
6.	Others	91.02
<b>Total</b>		<b>1719.23</b>

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

MGL employs Result Based Management approach towards CSR. The entire approach is process driven wherein focus is laid on need assessment at the inception. MGL focuses to invest in need-based projects.

MGL has instituted a robust framework for selection of project. A mandatory part of the framework is visit by MGL's official to the proposed community/ site to gauge the needs of the community, their enthusiasm and acceptance towards the proposed intervention. MGL has implemented various new interventions on a pilot basis and then scaled it up, based on review of the project. Further, MGL has also adopted a robust in-house monitoring strategy. Regular monitoring visits are carried out to ensure that project is implemented in line with the expectations of the stakeholders. Sustainability of CSR intervention is an important consideration and community's involvement is elicited right from the inception. People's institutions are formed and strengthened to ensure that impact created is sustained post exit of the Company from the intervention.



**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/ consumer cases is pending, as at the end of the financial year?**

There are total of 12 consumer cases pending at the end of the financial year 2021-2022

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

MGL does not deal with any physical product, however, the Company displays the Natural Gas information prominently at all its CNG Stations and also on the light commercial vehicles and the heavy commercial vehicles carrying CNG cascades from CGS to various CNG Stations.

Adherence to all laws pertaining to product handling, branding and distribution is of utmost significance to the Company, and MGL ensures full compliance to these. The PNG Bill issued to consumers contains information regarding safety and other information related to PNG.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There have been no such cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and which are pending as on March 31, 2022.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

MGL continuously interacts with our stakeholders and engage with customers across various platforms. We carry Customer Satisfaction Surveys on a yearly basis across CNG and PNG Customers by engaging a third party agency as empaneled by PNGRB

# Corporate Governance Report

## 1. MGL's PHILOSOPHY ON CORPORATE GOVERNANCE:

MGL considers its stakeholders as partners in success, and remains committed to delivering value to the stakeholders. The Company believes that a sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. Through governance systems and processes, MGL is empowering co-creation and partnerships while an unwavering focus on sustainability and safety is what makes us a truly responsible enterprise.

The elements of transparency, fairness, disclosure and accountability form the cornerstone of corporate governance policy at MGL. Your Company values, practices and implements ethical and transparent business practices aimed at building trust amongst various stakeholders. MGL believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. Your Company firmly believes that Corporate Governance is a continuing process beyond the scope of mere legislation.

Accordingly, policies and processes are in place to establish, shape and maintain appropriate governance standards and behaviors consistent with the philosophy. MGL's Code of Conduct for Board Members and Senior Management Personnel and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons further strengthens the adherence to the Corporate Governance philosophy of MGL.

MGL's governance structure comprises of Board of Directors, Committees of the Board and the Strategic Management Group. The Board of Directors along with its Committees provide leadership and guidance to the Management and direct and supervise the performance of the Company, thereby enhancing stakeholders' value. The Strategic Management Group ("SMG"), comprising of Whole-Time Directors and Senior Executives of the Company, has been constituted by the Board of Directors and delegated with substantial powers and responsibilities to

effectively operate and manage the business of the Company.

## 2. BOARD OF DIRECTORS:

### Board Leadership:

At MGL, Corporate Governance has been an integral part of the way we have been doing our business since inception. Your Company's Corporate Governance Philosophy is based on compliance with the laws coupled with adherence to the highest standards of transparency and business ethics which form an integral part of Company's initiatives in its ongoing pursuit towards achieving excellence through safe environment, reliable energy supplies, customer delight and stakeholder value creation.

The Committees of the Board, viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee handle responsibilities specified under the applicable laws as well as Terms of Reference to support the Board by accomplishing expedient resolutions on varied matters.

The Board of Directors comprises of 8 Directors as on 31<sup>st</sup> March, 2022. The Board is led by a Non-Independent Non-Executive Chairman. Four Independent Directors including One Woman Independent Director, One Non-Independent Non-Executive Director (Nominee Director), One Managing Director and One Deputy Managing Director are the other members of the Board of your Company.

The Directors have submitted necessary disclosures regarding their positions held in Audit and Stakeholders' Relationship Committee of the Companies in which they hold Directorship. None of the Directors of your Company is a member of more than ten such Committees or Chairman of five such Committees.

All Directors are in compliance with the limit on Directorships of listed companies including

position as an Independent Director and Whole-Time Director/ Managing Director pursuant to Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The age of all the Directors on the Board is less than seventy-five years.

None of the Directors are related to other Directors on the Board and Key Managerial Personnel of the Company in terms of Section 2(77) of Companies Act, 2013. The Company has not issued any convertible securities. Mr. Manoj Jain, Non-Executive Director holds 15 shares of the Company. No other Non-Executive Directors of the Company are holding equity shares of the Company.

- (i) The names and categories of the Directors on the Board and the Directorships and Committee positions held by them in public limited companies including MGL as on March 31, 2022 are given below:

Sr. No.	Name of the Director	Category of Director	Directorship in Listed Companies (excluding MGL)		No. of Committee positions held (including MGL)*	
			Name of Listed Company	Category	Member	Chairman
1.	Mr. Manoj Jain (Chairman) DIN: 07556033	Non-Independent Non-Executive Director - <i>Chairperson related to Promoter</i>	GAIL (India) Limited  Petronet LNG Limited	Chairman and Managing Director  Non-Executive Director	0	0
2.	Mr. Sanjib Datta (Managing Director) DIN: 07008785	Executive Director	-	-	2	0
3.	Mr. Sanjay Shende (Deputy Managing Director) DIN: 09172642	Executive Director	-	-	1	0
4.	Mr. Baldev Singh (Nominee of Government of Maharashtra) DIN: 03577274	Non-Executive - Nominee Director	-	-	0	0
5.	Mrs. Malvika Sinha DIN: 08373142	Non-Executive Independent Director	Mahindra Logistics Limited	Independent Director	4	0
6.	Mr. Syed S. Hussain DIN: 00209117	Non-Executive Independent Director	-	-	2	1
7.	Mr. Rajeev Bhaskar Sahi DIN: 06662067	Non-Executive Independent Director	-	-	0	0
8.	Mr. Venkatraman Srinivasan DIN: 00246012	Non-Executive Independent Director	Tata Coffee Limited  Fairchem Organics Limited	Independent Director  Independent Director	5	3

\* Committee positions of Audit Committee and Stakeholders Relationship Committees in all Public Limited Companies have been considered as per Listing Regulations and excluding positions held in Board Committees of Private Limited Companies, Foreign Companies, Section 8 Companies and High Value Debt Listed Companies.

- (ii) During the year under review, 9 (Nine) Board Meetings were held. The details of attendance of Directors for each such meetings and at the 26<sup>th</sup> Annual General Meeting of the Company held on September 28, 2021 as well as quorum of each Board Meetings out of total strength on the date of Meeting are provided herein below:

Name of the Director	Date of Board Meetings									26 <sup>th</sup> AGM
	24.05.2021	28.05.2021	28.07.2021	24.08.2021	17.09.2021	26.10.2021	15.11.2021	08.02.2022	03.03.2022	
Mr. Manoj Jain	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Sanjib Datta	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Sanjay Shende	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Baldev Singh	N	N	Y	Y	Y	Y	N	Y	N	Y
Mr. Syed S. Hussain	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mrs. Malvika Sinha	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y
Mr. Rajeev Bhaskar Sahi	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y
Mr. Venkatraman Srinivasan	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y
<b>Quorum of Board Meetings</b>										
<b>Directors Present</b>	4	4	5	5	8	8	7	8	7	
<b>Total Strength</b>	5	5	5	5	8	8	8	8	8	

Y: Present

N: Not Present

NA: Not Applicable for not being a Director on the date of meeting

Notes:

- Mr. Baldev Singh, Nominee of Government of Maharashtra, was appointed as the Non-Executive Director of the Company w.e.f. April 28, 2021.
- Mr. Sanjay Shende was appointed as the Whole-Time Director designated as the Deputy Managing Director of the Company w.e.f. May 24, 2021.
- Mr. Rajeev Bhaskar Sahi, Mrs. Malvika Sinha and Mr. Venkatraman Srinivasan were appointed as the Non-Executive Independent Director of the Company w.e.f. August 24, 2021.

### (iii) Board Procedure:

The Board meets at regular intervals to review and deliberate various business strategies, financial performance and to address specific needs and business requirements of the Company. In case of business exigencies, the Board's approval is taken through circular resolutions and the same are noted at the subsequent meeting of the Board and/or Committees. The Board Meetings are prescheduled and decided in advance after confirmation from the Members of the Board. Video-conferencing facility is made available to the Directors to attend the Board and Committee Meetings from a place other than the venue of the meeting in compliance with Companies Act, 2013 and Secretarial Standards.

The agenda along with comprehensive background information on the items in the agenda is circulated well in advance to the Board members as per the provisions of the Companies Act, 2013

and Secretarial Standards and in exceptional cases, tabled at the Meeting with the permission of the Chairperson and consent of majority of the Directors present in the Meeting, to enable the Board and Committee members to take informed decisions. The agenda and related information are circulated through secured electronic mode, which is accessible only to the Board members.

The decisions taken at the Board and Committee Meetings are communicated to the concerned department/ division for further course of action.

### (iv) Chart/Matrix setting out the Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the existing composition of the Board.

Leadership, Industry Experience & Strategic Planning	Leadership, Domain expertise, Strategic Planning and Project Management
Business Development and Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong Corporate reputation. Suggesting innovative new ideas and formulation of new strategies for the business, keeping in mind the changing requirements of the industry and customers.
Finance, Audit & Accounting, Taxation	Proficiency in financial management, financial reporting processes, budgeting, audit, capital allocation, taxation, treasury operations
Governance including legal compliance	Commitment, belief and experience in setting corporate governance practices to support the Company's robust legal compliance systems and governance policies/practices.

Sr. No.	Name of Director(s)	Skills / Expertise / Competencies
1	Mr. Manoj Jain	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Finance, Governance including legal compliance
2	Mr. Sanjib Datta	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Governance including legal compliance
3	Mr. Sanjay Shende	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Governance including legal compliance
4	Mr. Baldev Singh	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Finance, Audit & Accounting, Taxation
5	Mr. Syed S. Hussain	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Finance, Audit & Accounting, Taxation
6	Mrs. Malvika Sinha	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Governance including legal compliance
7	Mr. Rajeev Bhaskar Sahi	Leadership, Industry Experience & Strategic Planning, Business Development and Marketing, Governance including legal compliance
8	Mr. Venkatraman Srinivasan	Leadership, Industry Experience & Strategic Planning, Finance, Audit & Accounting, Taxation, Governance including legal compliance

#### (v) Independent Directors:

Your Company has appointed four Independent Directors forming half of the total composition of the Board towards better Corporate Governance practice. The Independent Directors of the Company have been appointed pursuant to the provisions of Companies Act, 2013 read with rules made thereunder and Schedule IV of the Act and the Listing Regulations. The Company has issued formal letters of appointment to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's

website at [www.mahanagargas.com](http://www.mahanagargas.com). During the financial year under review, Mr. Premesh Kumar Jain ceased to be Independent Director of the Company due to sad demise on April 20, 2021. Mr. Rajeev Bhaskar Sahi, Mrs. Malvika Sinha and Mr. Venkatraman Srinivasan were appointed as the Non-Executive Independent Director of the Company w.e.f. August 24, 2021. The Independent Directors of the Company actively participate in the Board and Committee Meetings which gives significant value addition in the decision making process.

The Board confirms that all the Independent Directors on the Board fulfill the criteria of Independence specified in the Listing Regulations and Companies Act, 2013 and are Independent of the Management. All Independent Directors on the Board of the Company during the FY 2021-22 were registered on the Independent Director's Databank on the website of the Indian Institute of Corporate Affairs (IICA).

During the financial year 2021-2022, a separate meeting of Independent Directors of the Company was held on March 23, 2022 without the presence of the Executive Directors & the Management representatives as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations to enable the Company's Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

Further, the Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and other significant information at the time of induction of the Directors as well as during the Board as well as Committee Meetings in order to update the Directors from time to time. The Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including health and safety, sustainability, performance updates of the Company, industry scenario, business strategy, internal control and risks involved and its mitigation plans.

### Composition of Committees of Board of Directors:

The composition of the Committees of the Board of Directors as on March 31, 2022 is as below:

Committees	Composition	Category of members
Audit Committee	Mr. Venkatraman Srinivasan, Chairperson	Independent Director
	Mr. Syed S. Hussain	Independent Director
	Mrs. Malvika Sinha	Independent Director
	Mr. Sanjib Datta	Managing Director
Nomination and Remuneration Committee	Mr. Syed S. Hussain, Chairperson	Independent Director
	Mr. Manoj Jain	Non-Executive Director
	Mr. Rajeev Bhaskar Sahi	Independent Director

The details of Familiarization Programme for Independent Directors is available on the website of the Company and can be accessed at [https://www.mahanagargas.com/UploadAssets/UploadedFiles/\\_Familiarisation\\_Program\\_8edfa8520b.pdf](https://www.mahanagargas.com/UploadAssets/UploadedFiles/_Familiarisation_Program_8edfa8520b.pdf)

### 3. COMMITTEES OF THE BOARD:

Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities. The Board has constituted a set of Committees with specific terms of reference/scope, to focus effectively on the issues and ensure expedient resolution of diverse matters. These Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. There is continuous flow of information between the Board and its Committees, as the Committees report their recommendations and opinions to the Board. The Board Committees requests special invitees including permanent invitees to join the meeting, as and when appropriate. Company Secretary & Compliance Officer acts as Secretary of all the Board Committees.

Committees	Composition	Category of members
Stakeholders Relationship Committee	Mr. Syed S. Hussain, Chairperson	Independent Director
	Mr. Venkatraman Srinivasan	Independent Director
	Mr. Sanjib Datta	Managing Director
	Mr. Sanjay Shende	Deputy Managing Director
Corporate Social Responsibility Committee	Mrs. Malvika Sinha, Chairperson	Independent Director
	Mr. Syed S. Hussain	Independent Director
	Mr. Sanjib Datta	Managing Director
	Mr. Sanjay Shende	Deputy Managing Director
Risk Management Committee	Mr. Rajeev Bhaskar Sahi, Chairperson	Independent Director
	Mr. Venkatraman Srinivasan	Independent Director
	Mr. Sanjib Datta	Managing Director
	Mr. Sanjay Shende	Deputy Managing Director

#### Meetings of Committees:

Name of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Manoj Jain	NA	2/2	NA	NA	NA
Mr. Sanjib Datta	6/6	NA	1/1	4/4	3/3
Mr. Sanjay Shende	NA	NA	1/1	4/4	3/3
Mr. Baldev Singh	1/2	0/1	NA	NA	NA
Mr. Syed S. Hussain	6/6	2/2	1/1	4/4	1/1
Mrs. Malvika Sinha	4/4	NA	NA	3/3	NA
Mr. Rajeev Bhaskar Sahi	NA	1/1	NA	NA	2/2
Mr. Venkatraman Srinivasan	4/4	NA	NA	NA	2/2
<b>Total Meetings held</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>3</b>

#### Notes:

1. NA: Not Applicable for not being a member of the Committee on the date of meeting
2. Audit Committee and Nomination and Remuneration Committee were reconstituted on May 18, 2021 as below.

Audit Committee	Mr. Syed S. Hussain	Chairperson
	Mr. Baldev Singh	Member
	Mr. Sanjib Datta	Member
Nomination and Remuneration Committee	Mr. Syed S. Hussain	Chairperson
	Mr. Manoj Jain	Member
	Mr. Baldev Singh	Member

3. *Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee were reconstituted on July 20, 2021 as below.*

<i>Corporate Social Responsibility Committee</i>	<i>Mr. Syed S. Hussain</i>	<i>Chairperson</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>
<i>Stakeholders Relationship Committee</i>	<i>Mr. Syed S. Hussain</i>	<i>Chairperson</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>
<i>Risk Management Committee</i>	<i>Mr. Syed S. Hussain</i>	<i>Chairperson</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>

4. *All the Board Committees were further reconstituted on August 24, 2021 as below.*

<i>Audit Committee</i>	<i>Mr. Venkatraman Srinivasan</i>	<i>Chairperson</i>
	<i>Mr. Syed S. Hussain</i>	<i>Member</i>
	<i>Mrs. Malvika Sinha</i>	<i>Member</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
<i>Nomination and Remuneration Committee</i>	<i>Mr. Syed S. Hussain</i>	<i>Chairperson</i>
	<i>Mr. Manoj Jain</i>	<i>Member</i>
	<i>Mr. Rajeev Bhaskar Sahi</i>	<i>Member</i>
<i>Corporate Social Responsibility Committee</i>	<i>Mrs. Malvika Sinha</i>	<i>Chairperson</i>
	<i>Mr. Syed S. Hussain</i>	<i>Member</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>
<i>Stakeholders Relationship Committee</i>	<i>Mr. Syed S. Hussain</i>	<i>Chairperson</i>
	<i>Mr. Venkatraman Srinivasan</i>	<i>Member</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>
<i>Risk Management Committee</i>	<i>Mr. Rajeev Bhaskar Sahi</i>	<i>Chairperson</i>
	<i>Mr. Venkatraman Srinivasan</i>	<i>Member</i>
	<i>Mr. Sanjib Datta</i>	<i>Member</i>
	<i>Mr. Sanjay Shende</i>	<i>Member</i>

#### **A. Audit Committee:**

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations and all the members of the Committee are financially literate. The gap between any two meetings of Audit Committee did not exceed 120 days.

The Audit Committee meetings are usually attended by Deputy Managing Director and Chief

Financial Officer as permanent invitees, and the respective departmental heads, as required. The Statutory Auditors and Internal Auditors also attend the Audit Committee meetings by invitation for their respective agenda items.

All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 28, 2021.



**Terms of Reference of Audit Committee:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Review and recommend to the Board for approval of proposals on Borrowings and proposals on non-fund based facilities from banks and Business plan;
3. Review and recommend for Board approval of capital expenditure proposals exceeding authority limit of SMG but not exceeding ₹ 50.0 Crores, treasury policies of MGL and Corporate Annual Budget and Revised Estimates;
4. To review PNG and CNG Pricing Policy at least on a quarterly basis and to recommend to the Board for approval, changes required in it, if any;
5. Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration and payment for any other services rendered by them, as applicable;
6. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by Management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any RPT;
  - g) Modified opinion(s) in the draft audit report.
  - h) The going-concern assumption;
  - i) Compliance with accounting standards;
  - j) Contingent liabilities; and
  - k) Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013.
7. Reviewing with the Management, the quarterly and annual financial statements and such other periodical statements before submission to the Board for approval, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in the matter;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Examination of the financial statement and the auditor's report thereon;
10. Approval or any subsequent modification of transactions of the Company with related parties, provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
11. Lay down the criteria for granting omnibus approval in line with the Company's policy on

related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

12. The Audit Committee to satisfy itself regarding the need for omnibus approval and that such approval is in the interest of the Company;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial controls and risk management systems;
16. Reviewing with the Management, performance of statutory, cost and internal auditors, adequacy of the internal control systems, the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17. Discussion with internal auditors of any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditors;
22. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
23. To review the functioning of the whistle blower mechanism;
24. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on the date of coming into force of this provision;
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations.

### Meeting Details

The Audit Committee of the Company met 6 times during the financial year 2021-2022. The meetings were held on May 24, 2021, July 28, 2021, October 26, 2021, November 08, 2021, February 08, 2022 and March 03, 2022.

### B. Nomination and Remuneration Committee ("NRC"):

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. Mr. Syed S. Hussain was appointed as Chairman of the Nomination and Remuneration Committee and was also present at the 26<sup>th</sup> Annual General Meeting of the Company.

### Terms of Reference of the Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration

of the Directors, key managerial personnel and other employees;

2. The Nomination and Remuneration Committee would be reviewing the Terms and Conditions of services including remuneration in respect of Managing Director and Deputy Managing Director and submit their recommendations to the Board;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board and Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
5. Determination of extension or continuation of the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors;
6. Evaluating the current composition, organization and governance of the Board and its Committees, as well as determine future requirements and make recommendations to the Board for approval;
7. Determine on an annual basis, desired Board qualifications, expertise and characteristics and conducting searches for potential Board Members with corresponding attributes. Evaluate and propose Nominees for election to the Board. In performing these tasks, the Committee shall have the sole authority to retain and terminate any Search Firm to be used to identify Director candidates;
8. Evaluate and recommend termination of membership of individual Directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
9. To recommend to the Board regarding the appointment, promotion and removal of the Senior Management personnel at such level/s and all remuneration, in whatever form, payable to Senior Management;
10. To review, amend, modify and approve all other Human Resources related Policies of the Company from time to time;
11. To review and recommend to the Board Manpower Plan / budget, sanction of new Senior Management positions from time to time in future and the matters relating to revision of compensation / salary and long term wage settlements;
12. To review with the Management, all HR related issues from time to time so as to maintain harmonious employer-employee relations;
13. To periodically review and re-examine the Terms of Reference and make recommendations to the Board for any proposed changes;
14. In performing its responsibilities, the Committee shall have authority to obtain advice, reports or opinions from internal or external counsel and expert advisors;
15. Ensuring proper induction program for new Directors, KMP and Senior Management and reviewing its effectiveness; ensuring that on appointment receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
16. Developing a Succession Plan for the Board and Senior Management and regularly reviewing the plan;
17. Consider and determine the Nomination and Remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate; and

18. The Committee should ensure that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

### Meeting Details

The Nomination and Remuneration Committee of the Company met 02 times during the financial year that is on August 24, 2021 and October 26, 2021.

### Performance Evaluation:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards' functioning.

### Remuneration of Directors:

#### i) Criteria for making payment to Non-Executive Independent Directors:

Independent Directors are paid sitting fees of ₹ 50,000/- for attending the meetings of the Board and ₹ 40,000/- for attending meetings of

Committees of which they are Members, and Commission within limits, as approved by the Board. None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the Financial Year ended on March 31, 2022.

#### ii) Details of Remuneration to Directors:

The aggregate Commission payable to all the Independent Directors is approved by the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The Board approves the aggregate quantum of Commission payable to Independent Directors based upon the outcome of the evaluation process which is driven by various factors including attendance in the Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings not exceeding 1% of net profits of the Company as approved by the shareholders.

#### iii) The details of sitting fees and Commission paid for the year 2021-2022 to the Independent Directors are mentioned below:

Sr. No.	Name of the Director	Sitting Fees (₹ in Lakhs)	Commission (₹ in Lakhs)
1	Mr. Syed S. Hussain	10.10	6.60
2	Mrs. Malvika Sinha	5.30	3.55
3	Mr. Rajeev Bhaskar Sahi	3.70	2.95
4	Mr. Venkatraman Srinivasan	4.90	3.40
<b>Total</b>		<b>24.00</b>	<b>16.50</b>

Notes:

- Commission is paid based on the attendance of Directors at the Board Meeting and Committee meetings held during the financial year 2021-22.
- The total amount of commission payable to each Non-Executive Independent Director is subject to the maximum limit of ₹ 10 Lakhs.

#### iv) Remuneration to Executive Directors:

In terms of the provision of the Act and in line with the Nomination and Remuneration Policy of the Company, the appointment and remuneration of Executive Directors i.e. Managing Director and Deputy Managing Director designated as Whole-Time Director are approved by the Board and Members of the Company, on recommendation of the NRC. The details of remuneration paid to Executive Directors are disclosed in the Directors' Report of the Company.

The Company does not have any stock options plan or performance linked incentive for the Directors.

#### C. Stakeholders Relationship Committee ("SRC"):

The Stakeholders Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations in order to consider and resolve the grievances of the shareholders including the complaint/ request regarding transfer/transmission of shares, non-receipt of Annual Report, non-receipt of Dividend etc.

##### Terms of Reference of the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible to resolve the grievances and complaints of all the security holders and shall specifically look into the various aspects of interest of shareholders, debenture holders and other security holders. The functions of the Stakeholders Relationship Committee include the following:

- a) Collecting and analyzing reports received periodically from Registrar and Share Transfer Agent (RTA) on the following:
  - I. Requests regarding non-receipt of the Shares, Debentures, Deposit Receipt, declared Dividend or Interest;

- II. Requests regarding non-receipt of the notice of Annual General Meeting, Balance Sheet and Profit & Loss Account Statement;
- III. Complaints of investors routed by SEBI or Stock Exchanges and others;
- IV. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates, transposition of share certificates;
- V. Issue of Share Certificates, Debenture Certificate, Duplicate Share or Debenture Certificate in lieu of lost/torn/mutilated / defaced certificates;
- VI. Request relating to dematerialisation and rematerialisation of shares;
- VII. Request relating to modes of paying the Dividend i.e. through Electronic clearing service, RTGS and issue of Dividend Warrant for dividend payment/ Interest etc.; and
- VIII. Complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

- b) Other matters related to or arising out of shareholders / investors services including preparation and approval of periodical reports.

##### Details of complaint registered by shareholders during the year:

During the financial year 2021-2022, total 02 complaints were registered by the shareholders and other stakeholders with the Company Secretary. Details on the status of such complaints are mentioned below:

Complaints outstanding as on April 01, 2021	Nil
Complaints received during the year	02
Complaints resolved during the year	02
Complaints pending as on March 31, 2022	Nil

All the complaints received during the year were resolved to the satisfaction of the respective shareholders.

### Meeting Details

The Stakeholders Relationship Committee met once during the financial year 2021-2022 on August 09, 2021.

### D. Corporate Social Responsibility Committee:

The composition, powers, role and terms of reference of CSR Committee are in accordance with the requirements mandated under Section 135 of the Act.

#### Terms of Reference of the CSR Committee:

The Terms of Reference of CSR Committee inter alia include the following:

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company;
4. Subject to these terms of reference, the Corporate Social Responsibility Committee shall have the power to regulate its own proceedings;
5. To review and recommend the CSR Plan for the ensuing financial year to the Board of Directors;
6. To approve any project that may come during the year and which is not covered in the CSR Plan up to such amount as may be prescribed by the Board of Directors from time to time; and such other functions as may be prescribed.

### Meeting Details

The Corporate Social Responsibility Committee met 4 times during the financial year 2021-2022 on August 09, 2021, October 20, 2021, January 6, 2022, March 23, 2022.

### E. Risk Management Committee ("RMC"):

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has also appointed Chief Risk Officer.

#### Roles and Responsibilities of the RMC:

1. Formulate a detailed Risk Management Policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business Continuity Plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
8. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
9. Recommend to Board the Risk Management Policy;
10. Overseeing implementation of Risk Management Policy;
11. Monitoring of Risk Management Policy;
12. Monitoring and advising internal Business Risk Review Committee;
13. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes;
14. Monitoring and reviewing the risk pertaining to cyber security;
15. The Committee shall make regular reports to Audit Committee and Board, including with respect to risk management and minimization procedures as per the Risk Management Policy;
16. The Committee may form and delegate authority to sub committees when appropriate;
17. Performing such other functions as may be necessary or appropriate for the performance of its oversight function; and,
18. The roles and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

#### **Meeting Details**

The Risk Management Committee met 3 times during the financial year 2021-2022 on August 09, 2021, October 20, 2021 and January 19, 2022.

## 4. GENERAL BODY MEETINGS:

### General Meetings of Shareholders:

Details of previous three Annual General Meetings of the Company, are tabled herein below:

Date & Time	Venue	Special Resolution(s) passed
September 28, 2021 at 1100 Hours	MGL House, Block No. G-33, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 (Through Video Conference/Other Audio-Visual Means)	1. Alteration of Articles of Association of the Company 2. Re-appointment of Mr. Syed S. Hussain (DIN: 00209117) as an Independent Director
September 24, 2020 at 1100 hours	MGL House, Block No. G-33, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 (Through Video Conference/Other Audio-Visual Means)	Re-appointment of Mrs. Radhika Vijay Haribhakti as an Independent Director of the Company.  <i>Note: Based on consolidated result of the e-voting, the number of votes cast in favour of the resolution was less than three times the votes cast against the resolution. Hence, the requirement for passing special resolution was not met. Accordingly, the aforesaid resolution was not passed by shareholders.</i>
September 09, 2019 at 1100 Hours	Rangsharda Auditorium, Krishna Chandra Marg, Near Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Nil

No resolution was passed by the shareholders at an Extra-Ordinary General meeting or through postal Ballot during the year.

### MEANS OF COMMUNICATION:

#### a) Financial Results:

The financial results of the Company are published in 'Financial Express' and 'Loksatta' (regional daily newspapers published from Mumbai), within the stipulated timelines.

**b) Annual Report:** Annual Report containing inter alia, the Director's Report, the Management Discussion and Analysis, the Business Responsibility Report, the report on Corporate Governance, Audited Annual Accounts and other important information, is another channel of communication with the Shareholders.

**c) Stock Exchange Filings:** Corporate announcements and statutory compliances are filed with the Stock Exchanges and can be accessed from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com)

**d) Website and Press Release:** Pursuant to Regulation 46 of the Listing Regulations, Company's website ([www.mahanagargas.com](http://www.mahanagargas.com)) contains a separate dedicated section 'INVESTORS' which acts as the primary source of information to the shareholders and enables the Investors to take informed decision. The full Annual Report is also available on the website in a user friendly and downloadable form. Official news/press releases, if any, issued from



time to time, are hosted on the Company's website and also informed to Stock Exchanges.

- e) Analysts Presentations:** The schedule of Institutional Investors/Analysts Meetings, audio recordings and the presentation(s) made to the Institutional Investors or to the Analysts are also uploaded on the website of the Company.

#### GENERAL SHAREHOLDER INFORMATION:

**a) Twenty Seventh Annual General Meeting:**

Day & Date : Wednesday, August 24, 2022

Time : 11:00 A.M.

Venue : Meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Book Closure date for Final Dividend: Wednesday, August 17, 2022 to Wednesday, August 24, 2022 (both days inclusive)

**d) Listing on Stock Exchanges and Stock Codes:**

Your Company's Shares are listed on the following stock exchanges:

Name	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	539957
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051	MGL

**e) Payment of Annual Listing/Custody Fees:**

Annual Listing Fees for the financial year 2021-2022 have been paid to both the stock exchanges. Annual Custody Fees to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") have been paid for the financial year 2021-2022.

**b) Financial Year:**

The Financial Year of your Company starts on 1<sup>st</sup> April and ends on 31<sup>st</sup> March each year.

**c) Dividend Payment:**

The Board of Directors at their meeting held on February 08, 2022, declared Interim Dividend for the financial year 2021-2022 of ₹ 9.50 per equity share of face value of ₹ 10/- each and was paid to those members whose names appeared in the Register of Members/List of Beneficial Owners as on the record date i.e. February 18, 2022.

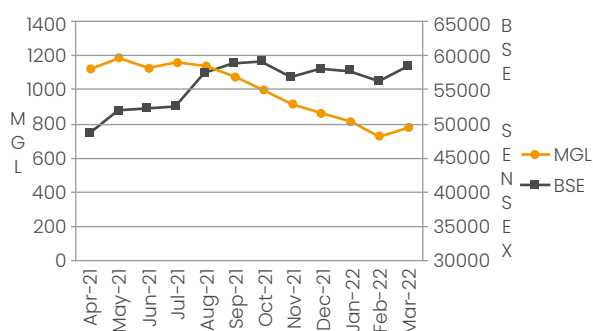
The Board has recommended Final Dividend of ₹ 15.50 per equity share for Financial Year 2021-2022. If approved by the members, Final Dividend will be paid to those members of the Company whose names would appear in the Register of Members on August 16, 2022.

**f) Market Price Data:**

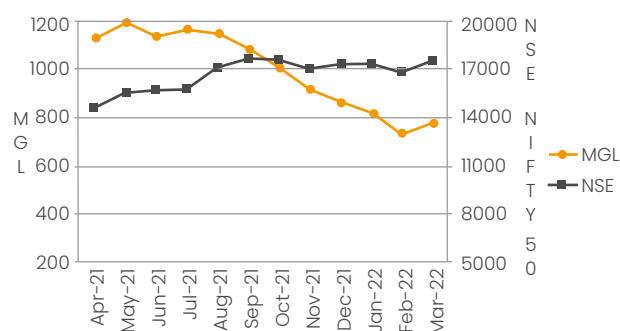
The market price data (high & low based on daily closing prices) of your Company's share traded during each month in the year 2021-2022 on BSE and NSE are as under:

(in ₹)

Month - Year	BSE		NSE	
	High	Low	High	Low
April-2021	1192.90	1044.75	1193.90	1055.30
May-2021	1234.00	1085.00	1223.80	1084.55
June-2021	1284.45	1124.80	1284.40	1125.00
July-2021	1211.60	1101.85	1212.00	1102.35
August-2021	1198.00	1078.40	1198.00	1079.85
September-2021	1205.00	1059.00	1026.30	1058.75
October-2021	1108.95	963.75	1109.00	963.50
November-2021	1032.45	901.40	1032.40	900.90
December-2021	938.00	834.05	938.00	834.00
January-2022	893.95	793.85	893.90	793.30
February-2022	858.90	680.20	858.90	680.00
March-2022	802.90	696.75	803.00	696.30

**Stock Performance of the Company in comparison to the broad based indices i.e. BSE Sensex and NSE Nifty (based on monthly closing price):**
**Performance Comparison with BSE SENSEX**


Source: BSE and NSE website

**Performance Comparison with NSE NIFTY 50**

**g) Dematerialization of Shares:**

As on March 31, 2022, 99.99% of the total Equity Share Capital of the Company was held in dematerialized form with NSDL and CDSL under International Securities Identification Number ("ISIN") – INE002S01010.

Mode of Holding	Percentage of total holding
NSDL	93.30
CDSL	6.70
Physical	Negligible
<b>Total</b>	<b>100.00</b>

**h) Share Transfer System:**

Your Company has an appropriate Share Transfer system. The shares of the Company are traded in dematerialized form since share transactions are simpler and faster in electronic form. A summary of transfer, transmission, split, remat and demat of physical securities of the Company so approved by the Managing Director / Company Secretary is placed at Stakeholders Relationship Committee Meeting.

In compliance with SEBI Circulars, the request for physical transfer of shares shall not be processed by the Company or RTA, except in case of transmission and transposition, with

effect from April 01, 2019. Hence, shareholders holding physical shares are requested to dematerialize their shares before depositing transfer deed with the Company or its RTA. RTA of your Company ensures compliance with all the procedural requirements with respect to transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates. Further, as stipulated under Regulation 40(9) of the SEBI Listing Regulations, the RTA also obtains a half yearly certificate in that regard from Practicing Company Secretaries and the same is filed with the stock exchanges.

**i) Distribution of Shareholding as on March 31, 2022:**

No. of Equity Shares	Shareholders		Shareholding	
	No.	% of Total	No.	% of Total
Upto 1000	221609	99.35	11257123	11.40
1001 to 2000	793	0.36	1142526	1.16
2001 to 5000	336	0.15	1048244	1.06
5001 to 10000	111	0.05	782046	0.79
Above 10000	207	0.09	84547839	85.59
<b>Total</b>	<b>223056</b>	<b>100.00</b>	<b>98777778</b>	<b>100.00</b>

**j) Categories of equity shareholding as on March 31, 2022:**

Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of Total No. of Shares
(A) Shareholding of Promoter(s) and Promoter(s) Group			
(1) Bodies Corporate	1	32102750	32.50
<b>Total Shareholding of Promoter(s) and Promoter(s) Group (A)</b>	<b>1</b>	<b>32102750</b>	<b>32.50</b>
(B) Public shareholding			
(1) State Government	1	9877778	10.00
(2) Institutions			
i) Financial Institutions/ Banks/ Insurance Companies	46	17133205	17.34
ii) Foreign Portfolio Investor	167	24672366	24.98

Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of Total No. of Shares
(3) Non-Institutions			
i) Other Bodies Corporate	640	671157	0.68
ii) Non Resident individuals/ Foreign Portfolio Investor (Individual)	3522	594544	0.60
iii) Individuals	209271	12889073	13.05
iv) Trusts/ Clearing Members/ Hindu Undivided Family/ Other	4573	836905	0.85
<b>Total Public Shareholding (B)</b>	<b>218220</b>	<b>66675028</b>	<b>67.50</b>
<b>Total (A)+(B)</b>	<b>218221</b>	<b>98777778</b>	<b>100.00</b>

**k) Plant Locations:**

- City Gate Station, Opposite Anik Bus Depot, Sion, Mumbai – 400 022.
- City Gate Station, Plot No. X-5/5, MIDC Mahape, TTC Industrial area, Post – Koper Khairane, Navi Mumbai – 400 709.
- City Gate Station, Plot No: TAK-A, Ambernath Industrial Area, Village – Chikhaloli, Taluka– Ambernath – 421 501.
- City Gate Station, Plot No: J-93/2, Talaja MIDC Area, Talaja, District – Raigad – 410 208.

**i) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

Rating Agency	Rating	Outlook
ICRA Limited (Long Term Scale)	AAA	Stable
ICRA Limited (Short Term Scale)	A1+	Stable

**m) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversions details and likely impact on equity:**

The Company has not issued any GDR/ADRs in the past and hence not applicable as on

March 31, 2022. The Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

**n) Commodities Price Risk/Foreign Exchange Risk and Hedging activities:**

During the financial year under review, the Company had not undertaken any activity of Commodities Price Risk, Foreign Exchange Risk and Hedging activities.

**DISCLOSURES:**

**a) Disclosure on material significant related party transactions:**

All the Related party transactions (“RPTs”) entered into by your Company during the Financial year 2021-2022 were at arm’s length and in the ordinary course of business of the Company.

All such transactions had prior approval of Audit Committee and in case of material related party transactions; approval of shareholders is also obtained in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

**b) Details of non-compliance :**

The National Stock Exchange of India Limited (NSE) vide its letter dated August 20, 2021 levied fine of ₹ 5,43,000/- and BSE Limited (BSE) vide its e-mail dated August 20, 2021 levied fine of ₹ 4,55,000/- for non-compliance of the Listing

Regulations. The fines were paid to the stock exchanges within timelines. Further, NSE vide its letter and BSE vide its email dated November 22, 2021 respectively levied fines of ₹ 5,56,000/- by each stock exchanges. The Company had submitted response on November 26, 2021 to both the exchanges requesting for waiver of the fines levied since, the necessary compliance was met during the quarter ended September 30, 2021. Subsequently, based on NSE communication of rejection of waiver request, Company has made payment of fine. Further, BSE had not considered the waiver request and instructed to pay fine levied for non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 vide its email dated April 11, 2022. In response, the Company has requested BSE to reconsider the waiver request on the basis of guidance note on SEBI Circular dated January 22, 2020 and SOP for suspension and revocation of trading of specified securities. The response from BSE is awaited.

**c) Whistle Blower Policy/Vigil Mechanism :**

Your Company has in place Whistle Blower Policy/ Vigil Mechanism which facilitates direct access to the Management and the Audit Committee of the Board for all Stakeholders to report concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. It is hereby affirmed that no personnel had been denied access to the Audit Committee under Whistle Blower Policy. The said policy has been uploaded on the website of the Company ([www.mahanagargas.com](http://www.mahanagargas.com)). Also, the Company has in place the "Policy for Prevention of Sexual Harassment at Workplace". This ensures a work environment that is professional and mature, free from animosity and which includes respect for the individuals.

**d) Other Policies, Programs and Codes of the Company:**

**i. Corporate Social Responsibility Policy:**

In terms of the provisions of Section 135 of the Act and the Companies (Corporate

Social Responsibility Policy) Rules, 2014, your Company has adopted Corporate Social Responsibility policy having the following scope:

Planning projects or programs which the Company plans to undertake falling within the purview of Schedule VII of the Act; and Monitoring progress of such projects or programs.

**ii. Risk Management Policy:**

For assessment and minimization of risks in terms of the provisions of Regulation 17 of the Listing Regulations, your Company has framed a Risk Management Policy. The policy covers inherent business risks and appropriate mitigation measures to be taken by the Company. Further, revised Risk Management Policy was adopted by the Company during the year pursuant to amendments to the Listing Regulations.

**iii. Policy on Related Party Transactions (RPTs):**

In terms of the provisions of Regulation 23 of the Listing Regulations, your Company has framed a Policy on RPTs to regulate transactions of the Company with its related parties (as defined and identified under the Act, Listing Regulations), to ensure high standards of Corporate Governance while dealing with related parties and also to ensure optimum compliance with applicable laws prescribed for RPTs. The policy is also available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com).

**iv. Code of conduct to monitor and report trading by Designated Persons in listed Securities of Mahanagar Gas Limited:**

Your Company has adopted Insider Trading Code to be observed by all the insiders as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time ("SEBI Insider Trading Regulations").

**v. Policy for Determination of Materiality of Information or Event:**

In terms of the provisions of Regulation 30 of the Listing Regulations, your Company has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the Stock Exchange(s) in compliance with the provisions of the Listing Regulations.

**vi. Policy on Preservation of Documents:**

In terms of the provisions of Regulation 9 of the Listing Regulations, your Company has adopted a policy for preservation of documents.

**vii. Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:**

The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, mandates every listed company to formulate a code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information that it would follow in order to adhere to each of the principles set out in Schedule A to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The aforementioned code is also available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com)

**e) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

- I. Your Company complies with corporate governance requirements as specified under Listing Regulations.
- II. As the Company publishes its quarterly, half yearly and yearly results on its website ([www.mahanagargas.com](http://www.mahanagargas.com)) which is accessible to the public at large. A half-yearly performance is not being sent

separately to each household of the shareholder. Your Company's quarterly results for each quarter are published in the newspapers having a wide circulation.

- III. During the period under review, there is no audit qualification in the Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.
- IV. Your Company has separate post for Chairman and Managing Director.
- V. The Internal Auditor reports their findings to the Audit Committee of the Company.

**f) Subsidiary companies:**

As on March 31, 2022, your Company does not have any subsidiary.

**g) Code of Conduct:**

In compliance with Regulation 26(3) of the Listing Regulations, the Company has in place comprehensive Code of Conduct applicable to the Board and Senior Management Personnel. The Code of Conduct is formulated with a purpose to ensure good corporate governance and ethical and transparent process in managing the affairs of the Company. A copy of the Code has been uploaded on the Company's website ([www.mahanagargas.com](http://www.mahanagargas.com)). All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2021-2022

**h) Disclosure of Accounting Treatment:**

The Company has followed all applicable and relevant Accounting Standards while preparing the Financial Statements.

**i) Certification from Company Secretary in Practice:**

A certificate has been received from M/s. Subhash Kulkarni & Associates, Practicing Company Secretary, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from

being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority which forms part of this Report.

**j) Details of recommendation of any Committee of the Board not accepted by the Board and reasons thereof:** Not Applicable.

- k) S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditor's fees, on consolidated basis for FY 2021-2022 given below:

(₹ in Lakh)	
Particulars	Amount
Audit Fees	61.71
Out-of-pocket expense	0.17
<b>Total</b>	<b>61.88</b>

**i) Disclosures in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted Internal Complaint Committee (ICC). While maintaining the highest governance norms, the members of this committee comprises of representatives from the Company and

external expert/NGO who have worked in this area and have the requisite experience in handling such matters. The Company has zero tolerance on sexual harassment at workplace.

The details of complaint received, resolved and pending under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are mentioned below:

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the F.Y. 2021-2022	0
2	Number of complaints disposed of during the F.Y. 2021-2022	0
3	Number of complaints pending as on end of the F.Y. 2021-2022	0

**m) Unclaimed Dividend:**

Pursuant to Sections 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), including amendment thereto, dividend, if not claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF")

The following table provides information relating to various dividends and the due date for transfer of unclaimed dividend the IEPF:

Financial Year	Type of dividend	Date of declaration of dividend	Due Date for transfer of unclaimed dividend to IEPF
2021-22	Interim	February 08, 2022	March 16, 2029
2020-21	Final	September 28, 2021	November 03, 2028
	Interim	February 09, 2021	March 17, 2028
2019-20	Final	September 24, 2020	October 30, 2027
	Interim	February 26, 2020	April 02, 2027
2018-19	Final	September 09, 2019	October 15, 2026
	Interim	January 29, 2019	March 06, 2026
2017-18	Final	September 17, 2018	October 23, 2025
	Interim	February 09, 2018	March 17, 2025
2016-17	Final	September 25, 2017	October 30, 2024
	Interim	February 11, 2017	March 19, 2024
2015-16	Final	September 26, 2016	November 01, 2023

**n) Corporate Identity Number (CIN):**

The Company is registered with Registrar of Companies (ROC) in State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40200MH1995PLC088133.

**o) Registered Office:**

MGL House, Block No: G-33, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

**Company Secretary and Compliance Officer of the Company:**

Mr. Atul Prabhu

Company Secretary and Compliance Officer  
MGL House, G-33 Block,

Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051

Tel: +91 (22) 6678 5000

Email: investorrelations@mahanagargas.com

The members may communicate their complaints relating to the securities issued by the Company to the Company Secretary on the above mentioned co-ordinates.

**p) Registrar and Transfer Agents ("RTA"):**

**Link Intime India Pvt. Ltd.**

C 101, 247 Park,

L B S Marg, Vikhroli West, Mumbai 400 083  
Telephone No: +91 22 49186000

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**q) Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is placed before the Stakeholders Relationship Committee and the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company are in

agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

**r) Equity Shares in the Suspense Account:**

As per Schedule V read with Schedule VI, Regulation 34(3), 53(f) and 39(4) of the Listing Regulations, NIL equity shares are lying in the suspense / escrow account.

**s) Feedback:**

Your feedback is valuable to us to help us serve you better. Members are requested to give us their valuable suggestions, if any, for enhancement of our Investor Services by writing to us at investorrelations@mahanagargas.com or to RTA at rnt.helpdesk@linkintime.co.in or at the address provided hereinabove.

**t) CEO and CFO Certification:**

As required under the provisions of Regulation 33 of the Listing Regulations, Mr. Sanjib Datta, Managing Director and Mr. Rajesh Patel, Chief Financial Officer have reviewed the Audited Financial Results and Cash Flow Statements for the Financial Year ended March 31, 2022 and accordingly have provided a certificate, which forms part of this Report.

**u) Report on Corporate Governance**

As required under Regulation 27 of the Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Stock Exchanges and the same are available on their websites. The said reports are also available on the website of the Company i.e. [www.mahanagargas.com](http://www.mahanagargas.com).

The Compliance Certificate received from M/s. Santosh Singh & Associates, Practicing Company Secretaries regarding compliance of Corporate Governance requirements is forming part of this report.

Further, the Compliance with Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 has been disclosed in this Report.



# CEO - CFO CERTIFICATION

To  
The Board of Directors  
**Mahanagar Gas Limited**

- A. We have reviewed the Audited Financial Statements and the Cash Flow Statement of Mahanagar Gas Limited (the "Company") for the Financial Year ended on March 31, 2022 and to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2022 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) Significant changes in the Company's internal control over financial reporting during the Financial Year ended on March 31, 2022;
  - 2) Significant changes in accounting policies, if any, during the Financial Year ended on March 31, 2022 have been disclosed in the notes to the Financial Statements; and
  - 3) Instances of significant fraud of which we have become aware and involvement therein, if any, of the Management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: May 10, 2022

**Rajesh Patel**  
Chief Financial Officer

**Sanjib Datta**  
Managing Director



# DECLARATION

As provided under the provisions of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the members of Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for Board Members and Senior Management Personnel for the year ended March 31, 2022.

Place: Mumbai

Date: May 10, 2022

**Sanjib Datta**

**Managing Director**

# CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**Mahanagar Gas Limited**  
MGL House, Block No. G-33,  
Bandra Kurla Complex,  
Bandra (East)  
Mumbai-400 051

We have examined the compliance of conditions of Corporate Governance by **Mahanagar Gas Limited** (hereinafter referred as "Company") for the year ended March 31, 2022 as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the Management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Santosh Singh & Associates**,  
Company Secretaries  
(ICSI Unique Code I2016MH1947800)

**Santosh Kumar Singh**

Proprietor  
ACS No. : 15964  
CP No. : 17638  
(UDIN : A015964D000293428)

Place : Mumbai  
Date : May 10, 2022

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Mahanagar Gas Limited**  
MGL House, Block No.G-33,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400051

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mahanagar Gas Limited** having CIN L40200MH1995PLC088133 and having registered office at MGL House, Block No.G-33, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 and (hereinafter referred to as the Company), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sanjib Datta	07008785	30/05/2018
2	Mr. Syed Shahzad Hussain	00209117	09/09/2019
3	Mr. Manoj Jain	07556033	06/05/2020
4	Mr. Baldev Harpal Singh	03577274	28/04/2021
5	Mr. Sanjay Shende	09172642	24/05/2021
6	Mr. Venkatraman Srinivasan	00246012	24/08/2021
7	Ms. Malvika Sahni Sinha	08373142	24/08/2021
8	Mr. Rajeevbhaskar Tarachand Sahi	06662067	24/08/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SUBHASH KULKARNI & ASSOCIATES**

Company Secretaries

**Subhash Kulkarni**

Proprietor

CP No. : 18464

Membership No.: F4903

UDIN: F004903D000185028

Place: Mumbai

Date: 28/04/2022

## Annexure: A

To,  
The Members of  
**Mahanagar Gas Limited**  
MGL House, Block No.G-33,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400051

Following documents verified while issuing Certificate of Non Disqualification of Director's (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Sr. No.	Particulars
1)	Certificate of debarment/ disqualification under Schedule V-Part C-point 10(i) LODR
2)	Code of Conduct RBI Circular No.DBOD.No.Dir.BC.14/13.03.00/2013-14 dated July 01, 2013
3)	DIR 8 under section 164(2)
4)	MBP 1 under section 184(1)
5)	Insider Trading Form B under SEBI (prohibition of insider trading)
6)	Certificate of Independence under section 149(7)
7)	Committee details

**FOR SUBHASH KULKARNI & ASSOCIATES**

Company Secretaries

**Subhash Kulkarni**

Proprietor

CP No. : 18464

Membership No.: F4903

Place: Mumbai

Date: 28/04/2022

# INDEPENDENT AUDITOR'S REPORT

To the Members of Mahanagar Gas Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Mahanagar Gas Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of

Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

**Key audit matters****How our audit addressed the key audit matters****Impairment of slow moving/non-moving projects lying in Capital Work-in-Progress**

*(as described in note 2.2(b) of the significant accounting policies, and note 3 for details and movement in capital work-in-progress in the financial statements)*

As at March 31, 2022, the Company has ₹ 61,594.53 Lakh of Capital Work-in-Progress. The Company's spending on Capital Work-in-progress is material as indicated by the total value as at date. The assessment and the timing of recognition of asset is when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management as set out in Ind AS 16, 'Property, Plant and Equipment', requires judgement and is dependent on the completion of projects after obtaining all necessary approvals.

The Company has long outstanding capital work-in-progress relating to old slow/non-moving projects which have been delayed because of several external factors.

As a result, this is considered as a key audit matter, with focus on certain slow moving/non-moving projects, where the risk of assessment of impairment of such items was deemed higher because of the complexity of the specific projects and the delays involved.

Our audit procedures among others included the following:

- Assessed the design and implementation and tested the operating effectiveness of key financial controls over the management review of capital work-in-progress.
- We obtained the list of delayed projects from the management and on a sample basis obtained reasons of the delay and the expected capitalization dates from the management.
- For assets capitalized during the year, we considered the planned vs actual capitalization dates to test the management's assessment of expected capitalization dates.
- We tested management's assessment of indicators of impairment of old projects and the allowance created and write offs made in the current year basis the policy on slow and non-moving projects as approved by the Board. We have tested the appropriateness of categorizing the projects as slow and non-moving basis the expected period of completion as determined by the Company.
- For old projects capitalized during the year, we tested on sample basis to determine that the useful life of the asset was adjusted to reflect the wear and tear of such assets.
- For capital inventory forming part of Capital work-in-progress, we assessed the allowance for old obsolescence created basis the allowance policy on aged inventory approved by the Board.
- We evaluated the disclosures in the financial statements.

**Contingencies: Uran Trombay Transportation Tariff Matter**

*(as described in notes 30.9 containing details of contingencies of the financial statements)*

The Company has entered into an agreement with GAIL (India) Limited for supply of Natural Gas which is being supplied by ONGC to GAIL at ONGC Trombay. ONGC is transporting its own gas from ONGC Uran to Trombay through its Uran Trombay Natural Gas Pipeline (UTNGPL). The Company has certain disputes with GAIL with respect to applicability of transportation tariff of UTNGPL as levied retrospectively from 20 November, 2008 till July 2021 of ₹ 33,180 lakh which has not been provided in the books of accounts or paid to GAIL till date.

Our audit procedures included the following:

- We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of claims, proceedings and investigations at different levels, and the recording and continuous re-assessment of the related contingent liabilities and disclosures.
- We performed inquiries with the in-house legal counsel on the legal evaluation of the litigation.
- We have tested the underlying computation of the management in relation to the measurement of the contingency.



### Key audit matters

Dispute was being discussed at the Appellate Tribunal for Electricity (APTEL) which has been referred back to PNGRB to consider several facts before concluding on the matter.

On March 18, 2020, PNGRB ruled the case against the Company and the company subsequently in April 2020 had filed an appeal against the order with APTEL and a writ petition with the Delhi High Court. The High Court referred the matter back to APTEL on May 04, 2020.

APTEL after hearing both the parties and going through the submissions made, has remanded the case back to PNGRB for proper adjudication on July 16, 2021. Matter is awaiting adjudication with PNGRB.

The evaluation of claims made by GAIL involves complex estimation and the Company is required to assess the need to make provision or disclose a contingency considering the underlying facts of the litigation and its probability of winning the case at the PNGRB. The Company has disclosed this fact as contingent liability as at the balance sheet date.

Due to the complexity involved in the litigation, the management's judgement and assessment of the outcome of the matter and the measurement of provisions is inherently uncertain and might change over time as the legal case progresses. Accordingly, the legal dispute has been considered as a key audit matter.

### How our audit addressed the key audit matters

- We have obtained written legal confirmation of litigation claims from the legal counsel and have also relied on the written legal opinion obtained by the Company in the earlier year's from an independent legal counsel for the matter, relating to their expectations of the Company's prospects in this case and have evaluated the conclusions as said in the legal opinion with the current treatment and disclosures given in the financial statements. The management has informed that the legal opinion as obtained in the earlier year's holds good in the current situation considering there has been no changes in the laws and regulations and no new judgements in this matter.
- We evaluated the disclosures in the financial statements.

### **Litigation: Demand for Additional trade discount by Oil Marketing Companies**

*(as described in notes 30.9 containing details of litigations of the financial statements)*

The Company had an ongoing dispute with Oil Marketing Companies (OMCs) with respect to revision of trade discount with effect from April 01, 2018 on sales made to OMCs. The last settlement on trade discount with the OMCs was finalized in June 2018 for the period ended March 31, 2018.

In the previous year, the OMC's, have communicated to the Company the revised trade discount basis a formal study conducted by them for the various geographical regions. The Company had contested the proposed revisions in trade discount and the Company along with the other City Gas distribution (CGD) companies had approached the Ministry of Petroleum and Natural Gas (MoP&NG) regarding such high trade discounts.

Our audit procedures among others included the following:

- We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of claims, proceedings and investigations at different levels, and the recording and continuous re-assessment of the related contingent liabilities and disclosures.
- We performed inquiries with the in-house legal counsel and management on the legal evaluation of the claims disputed.
- We read the copies of communication exchanged between OMCs, MoP & NG and the Company during the year.



**Key audit matters**

MoP&NG vide its letter dated November 01, 2021 has issued guidelines pertaining to revised Trade discounts and subsequently citing MoP&NG guideline, OMCs have raised their demand to the Company. However, the demand raised by OMCs is not as per the guidelines issued by the MoP&NG and hence the Company has contested the demand raised by OMCs. Further, the Company has raised the matter to the MoP&NG vide its letter dated December 30, 2021, requesting their intervention and advise the OMCs to adhere to the guidance provided by the MoP&NG.

As at the balance sheet date, the matter is yet awaiting final settlement with OMCs. Pending such settlement and considering the management's judgement and assessment of the outcome of the matter, the measurement of provisions involves significant estimates and thereby the matter has been considered as a key audit matter.

**How our audit addressed the key audit matters**

- For management's estimate of discounts recorded, we evaluated the details of assumptions used by the management to arrive at such estimate.
- We evaluated the disclosures in the financial statements and have compared the communications of the Company with the OMC and MoP&NG with the appropriateness of the disclosure in the financial statements.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) 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, as amended 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 30.9 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared or paid by the Company is in compliance with Section 123 of the Act.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

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per Vikram Mehta  
Partner  
Membership Number: 105938  
UDIN: 22105938AIRRZC9600  
Place of Signature: Mumbai  
Date: May 10, 2022

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

In terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all assets except for underground assets in relation to the gas distribution network which cannot be physically verified. The programme for physical verification in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties except for inventory of Natural Gas which cannot be physically verified. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.  

Discrepancies on such physical verification were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of accounts.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(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 Section 148(1) of the Companies Act, 2013, related to the manufacture of compressed natural gas and piped natural gas, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the Statute	Nature of Dues	Amount ₹ in lakhs*	Period	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	340.09	March 2001 - December 2004	High Court
		523.17	July 2005 - April 2016	CESTAT/CESTAT (Appeal)
		3.53	October 2009 - April 2019	Commissioner/Commissioner (Appeal)
Central Excise Act, 1944	Service Tax	0.87	November 2015 - September 2016	CESTAT/CESTAT (Appeal)
		20.20	April 2006 - January 2016	Commissioner/Commissioner (Appeal)
		19.52	October 2015 - March 2017	Deputy Commissioner
		3.19	April 2017 - June 2017	Superintendent of Central Goods and Service Tax
		0.61	April 2016 - June 2017	Superintend-Range II-Division IV
		819.60	October 2015 to June 2017	Commissioner Audit-II
Maharashtra Value Added Tax, 2002	Sales Tax	372.07	April 2006 - March 2011	Joint Commissioner/Joint Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	1,342.62	AY 2002-2003 to AY 2018-2019	Commissioner of Income Tax / Commissioner of Income Tax (Appeals)

\*Net of amounts paid under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of Accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 30.12 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 30.13 to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act 2013, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 30.13 to the financial statements.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

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per Vikram Mehta  
Partner  
Membership Number: 105938  
UDIN: 22105938AIRRZC9600  
Place of Signature: Mumbai  
Date: May 10, 2022

## Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Mahanagar Gas Limited

### 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 with reference to financial statements of Mahanagar Gas Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 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 with reference to these financial statements.

### Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls

with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

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per Vikram Mehta  
Partner

Membership Number: 105938  
UDIN: 22105938AIRRZC9600

Place of Signature: Mumbai  
Date: May 10, 2022

# BALANCE SHEET

as at March 31, 2022

(₹ in Lakh)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current Assets</b>			
(a) Property, Plant and Equipment	3	2,45,807.71	2,04,091.06
(b) Capital Work-in-Progress (CWIP)	3	61,594.53	56,032.03
(c) Intangible Assets	3	523.09	565.38
(d) Right of Use Assets	3, 30.5	15,041.90	12,275.31
(e) Financial Assets			
(i) Trade Receivables	4	0.60	0.96
(ii) Other Financial Assets	5	4,507.91	3,324.73
(f) Income Tax Assets (net)		7,634.21	4,972.83
(g) Other Non-current Assets	6	3,759.35	3,421.49
<b>Total Non-current Assets (I)</b>		<b>3,38,869.30</b>	<b>2,84,683.79</b>
<b>II. Current assets</b>			
(a) Inventories	7	2,748.68	2,216.47
(b) Financial Assets			
(i) Investments	8	1,08,828.07	1,02,497.57
(ii) Trade Receivables	4	18,404.06	12,751.98
(iii) Cash and Cash Equivalents	9	8,248.30	2,818.65
(iv) Bank balances other than (iii) above	10	38,269.94	48,366.94
(v) Other Financial Assets	11	6,756.78	5,508.65
(c) Other current assets	12	1,255.78	1,270.22
<b>Total Current Assets (II)</b>		<b>1,84,511.61</b>	<b>1,75,430.48</b>
<b>Total Assets (I+II)</b>		<b>5,23,380.91</b>	<b>4,60,114.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity Share Capital	13	9,877.78	9,877.78
(b) Other Equity	14	3,49,854.52	3,13,359.34
<b>Total Equity (I)</b>		<b>3,59,732.30</b>	<b>3,23,237.12</b>
<b>II. Liabilities</b>			
<b>A. Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	15, 30.5	8,240.48	5,731.25
(ii) Security Deposits	16	79.79	81.06
(b) Provisions	17	2,585.91	2,245.44
(c) Deferred Tax Liabilities (net)	18	20,079.80	17,725.06
<b>Total Non-current Liabilities (A)</b>		<b>30,985.98</b>	<b>25,782.81</b>
<b>B. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	19, 30.10		
- outstanding dues of micro and small enterprises		1,809.71	1,797.15
- outstanding dues of creditors other than micro and small enterprises		25,374.95	13,788.66
(ii) Security Deposits	16	71,501.21	63,551.35
(iii) Lease Liabilities	15, 30.5	2,058.36	1,679.23
(iv) Other Financial Liabilities	20	24,503.37	23,166.42
(d) Other Current Liabilities	21	6,144.53	6,052.57
(b) Provisions	17	973.59	762.05
(c) Income Tax Liabilities (net)		296.91	296.91
<b>Total Current Liabilities (B)</b>		<b>1,32,662.63</b>	<b>1,11,094.34</b>
<b>Total Liabilities (II = A+B)</b>		<b>1,63,648.61</b>	<b>1,36,877.15</b>
<b>Total Equity and Liabilities (I+II)</b>		<b>5,23,380.91</b>	<b>4,60,114.27</b>
See accompanying notes to the financial statements	1-30		

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants  
ICAI Firm Reg.No.: 324982E/E300003

**Per Vikram Mehta**

Partner  
Membership No: 105938

For and on behalf of the Board of Directors of  
**Mahanagar Gas Limited**
**Sanjib Datta**

Managing Director  
DIN: 07008785

**Rajesh Patel**

Chief Financial Officer  
FCA No:048326

**Sanjay Shende**

Deputy Managing Director  
DIN:09172642

**Atul Prabhu**

Company Secretary and  
Compliance officer  
ACS No:64051

Place : Mumbai  
Date : May 10, 2022

Place : Mumbai  
Date : May 10, 2022

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
I Revenue from Contracts with Customers	22	3,88,489.61	2,33,779.29
II Other Income	23	8,573.82	8,051.09
<b>III Total Income (I + II)</b>		<b>3,97,063.43</b>	<b>2,41,830.38</b>
IV Expenses :			
Cost of Natural Gas and Traded Items	24	2,04,577.59	74,720.66
Changes in Inventories	25	(37.83)	10.15
Excise Duty on Sale of Compressed Natural Gas		32,471.17	18,525.58
Employee Benefits Expenses	26	8,330.66	8,752.54
Finance Costs	27	753.44	719.44
Depreciation and Amortisation Expenses	3, 30.5	19,626.77	17,367.31
Other Expenses	28	50,715.84	38,374.33
<b>Total Expenses</b>		<b>3,16,437.64</b>	<b>1,58,470.01</b>
<b>V Profit Before Tax for the year (III- IV)</b>		<b>80,625.79</b>	<b>83,360.37</b>
VI Income Tax Expense :			
(i) Current Tax		18,578.35	19,774.69
(ii) Deferred Tax		2,352.72	1,627.93
<b>Total Income Tax Expense (i+ii)</b>	30.6	<b>20,931.07</b>	<b>21,402.62</b>
<b>VII Profit After Tax for the year (V - VI)</b>		<b>59,694.72</b>	<b>61,957.75</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :	29		
Gains on Remeasurements of the Defined Benefit Plans		15.26	121.49
Income tax relating to items that will not be reclassified to profit or loss		(2.01)	(30.57)
<b>Total Other Comprehensive Income</b>		<b>13.25</b>	<b>90.92</b>
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>59,707.97</b>	<b>62,048.67</b>
X Earnings per equity share (EPS) (Face value of ₹ 10/- each)	30.7		
Basic (₹)		60.43	62.72
Diluted (₹)		60.43	62.72
See accompanying notes to the financial statements	1-30		

There were no exceptional item(s) and discontinued operation(s) during the years presented.

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Reg.No.: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No: 105938

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Sanjib Datta**

Managing Director

DIN: 07008785

**Rajesh Patel**

Chief Financial Officer

FCA No:048326

**Sanjay Shende**

Deputy Managing Director

DIN:09172642

**Atul Prabhu**

Company Secretary and

Compliance officer

ACS No:64051

**Place : Mumbai**

**Date : May 10, 2022**

**Place : Mumbai**

**Date : May 10, 2022**

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax as per Statement of Profit and Loss</b>	<b>80,625.79</b>	<b>83,360.37</b>
Adjustments for:		
Depreciation and Amortisation Expense	19,626.77	17,367.31
Finance Costs	753.44	719.44
Dividend Income on Investments	-	(98.19)
Interest Income	(4,593.84)	(3,839.59)
Gain on sale of Investments	(1,874.04)	(4,627.91)
Unrealised (Gain) / Loss on Investments	(599.62)	1,682.75
Writeoff, Allowance, Disposal of Property, Plant and Equipment (Net) and right of use assets	874.62	648.66
Allowance for inventory obsolescence	(4.63)	13.66
Expected credit loss allowance and write off on Financial Assets	239.81	(43.85)
Net unrealised foreign exchange (gain)/ loss	13.21	(3.11)
<b>Operating Profit Before Working Capital Changes</b>	<b>95,061.51</b>	<b>95,179.54</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	(532.21)	(359.68)
(Increase)/Decrease in Trade Receivables	(5,728.01)	(5,960.72)
(Increase)/Decrease in Other Financial Assets	(2,587.62)	(469.34)
(Increase)/Decrease in Other Non Current Assets	(98.52)	238.91
(Increase)/Decrease in Other Current Assets	14.44	4.09
Increase/(Decrease) in Other Financial Liabilities	5,251.08	2,800.57
Increase/(Decrease) in Provisions	567.27	495.09
Increase/(Decrease) in Trade Payables	11,585.64	2,411.47
Increase/(Decrease) in Security Deposits (Liability)	7,959.19	5,369.91
Increase/(Decrease) in Other Current Liabilities	91.96	1,492.33
	<b>16,523.22</b>	<b>6,022.63</b>
<b>Cash Generated from Operations</b>	<b>1,11,584.73</b>	<b>1,01,202.17</b>
Income Taxes Paid (Net of refund)	(21,216.26)	(20,649.55)
<b>Net Cash from Operating Activities</b>	<b>90,368.47</b>	<b>80,552.62</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment (Including intangibles assets and capital advances)	(64,902.16)	(33,971.23)
Proceeds from Sale of Property, Plant and Equipment	170.63	17.70
Payments for purchase of Investments	(4,19,075.97)	(2,80,658.46)
Proceeds from sale of Investments	4,15,505.76	2,93,530.64
Movements in Bank Deposits not considered as Cash and Cash Equivalents	10,163.60	(26,873.15)
Interest Received	4,233.41	3,464.97
Dividend Received on Investments	-	98.19
<b>Net Cash used in Investing Activities</b>	<b>(53,904.73)</b>	<b>(44,391.34)</b>

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Lease Liability	(2,896.49)	(2,623.55)
Dividend Paid	(28,095.31)	(32,209.99)
Interest Paid	(42.29)	(46.69)
<b>Net Cash used in Financing Activities</b>	<b>(31,034.09)</b>	<b>(34,880.23)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)</b>	<b>5,429.65</b>	<b>1,281.05</b>
Cash and Cash Equivalents at the beginning of the year (refer note 9)	2,818.65	1,537.60
<b>Cash and Cash Equivalents at the end of the year (refer note 9)</b>	<b>8,248.30</b>	<b>2,818.65</b>
See accompanying notes forming part of the financial statements		

As per our report of even date

**For SRBC & COLLP**

Chartered Accountants

ICAI Firm Reg.No: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No: 105938

**Place : Mumbai**

**Date : May 10, 2022**

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Sanjib Datta**

Managing Director

DIN: 07008785

**Rajesh Patel**

Chief Financial Officer

FCA No:048326

**Place : Mumbai**

**Date : May 10, 2022**

**Sanjay Shende**

Deputy Managing Director

DIN:09172642

**Atul Prabhu**

Company Secretary and

Compliance officer

ACS No:64051

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Equity Share Capital		Reserves and Surplus		
	Number of shares	Equity share capital [a] (₹ in Lakh)	General Reserve [b]	Retained earnings [c]	Total [a+b+c]
<b>Balance as at 1st April 2020</b>	<b>9,87,77,778</b>	<b>9,877.78</b>	<b>21,183.81</b>	<b>2,64,205.19</b>	<b>2,95,266.78</b>
Add: Profit for the Year	-	-	-	61,957.75	61,957.75
Other Comprehensive Income (Net of Tax) (refer note 30)	-	-	-	90.92	90.92
Final Dividend Paid for FY 2019-20	-	-	-	(25,188.33)	(25,188.33)
Interim Dividend Paid for FY 2020-21	-	-	-	(8,890.00)	(8,890.00)
<b>Balance as at 31st March 2021</b>	<b>9,87,77,778</b>	<b>9,877.78</b>	<b>21,183.81</b>	<b>2,92,175.53</b>	<b>3,23,237.12</b>
Add: Profit for the Year	-	-	-	59,694.72	59,694.72
Other Comprehensive Income (Net of Tax) (refer note 29)	-	-	-	13.25	13.25
Final Dividend Paid for FY 2020-21	-	-	-	(13,828.90)	(13,828.90)
Interim Dividend Paid for FY 2021-22	-	-	-	(9,383.89)	(9,383.89)
<b>Balance as at 31st March 2022</b>	<b>9,87,77,778</b>	<b>9,877.78</b>	<b>21,183.81</b>	<b>3,28,670.71</b>	<b>3,59,732.30</b>

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Reg.No.: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No: 105938

**Place : Mumbai**
**Date : May 10, 2022**

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**
**Sanjib Datta**

Managing Director

DIN: 07008785

**Rajesh Patel**

Chief Financial Officer

FCA No:048326

**Place : Mumbai**
**Date : May 10, 2022**
**Sanjay Shende**

Deputy Managing Director

DIN:09172642

**Atul Prabhu**

Company Secretary and

Compliance officer

ACS No:64051

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 1. General Information

Mahanagar Gas Limited ("MGL" or "the company") is a limited company domiciled in India and was incorporated on May 8, 1995. Equity shares of the Company are listed in India on The Bombay Stock Exchange and The National Stock Exchange. The registered office of the Company is located at MGL House, G-33 Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051.

MGL is in the business of City Gas Distribution ("CGD"), presently supplying Natural Gas in the city of Mumbai including its adjoining areas and the Raigad district, in the State of Maharashtra, India.

The financial statements are presented in Indian Rupee (INR) which is also Functional Currency of the Company. The financial statements were approved for issue by the Company's Board of Directors on May 10, 2022.

All values are rounded off to the nearest ₹ Lakh except when stated otherwise.

## 2. Summary of 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.

### 2.1 Basis of preparation

#### a. Statement of Compliance

The Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

#### b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

#### c. Current vs Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle,
- it is held primarily for the purpose of trading,
- it is expected to be realised within 12 months after the reporting date, or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### **d. Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 2.18. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **e. Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The outbreak of COVID-19 pandemic in 2020, second wave of COVID-19 in April 2021 and third wave in January 2022 had caused significant disturbances and slowdown of economic activity. The Company's operations were impacted, however as compared to previous year the impact was less in current financial year due to easing of lockdown.

## **2.2 Property, plant and equipment**

All items of property, plant and equipment are carried at cost less accumulated depreciation

and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent costs are added to existing item's carrying amount or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs related to an item are charged to the statement of profit and loss during the reporting period in which they are incurred. In case of commissioned assets where final payment to the contractors is pending, capitalisation is made on provisional basis subject to necessary adjustment in cost and depreciation in the year of settlement.

#### **a. Commissioning**

Gas distribution systems are treated as commissioned when supply of gas reaches to the individual points and ready for intended use.

#### **b. Capital work-in-progress (CWIP)**

Capital Work-in-Progress includes, material, labour and other directly attributable costs incurred on assets, which are yet to be commissioned. Capital Inventory is included in Capital work-in-progress and comprises stock of capital items and construction materials at stores and with contractors.

The Company has provisioning policy for slow and non-moving CWIP (Refer note 2.18).

#### **c. Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate cost of the asset, net of estimated residual value, over their estimated useful lives. The useful lives and residual values are as prescribed under schedule II to Companies Act, 2013, except in respect of, following category of property plant and equipment where useful life estimated as per management estimate is based on technical advice, taking into account the nature of the asset, replacements generally required from the point of view of operational effectiveness:



Type of assets	Useful lives
CNG Compressors and Dispensers	10 Years
CNG Cascades	20 Years
Underground pipeline network	25 Years
Intangible assets (Software's/ Licenses)	6 Years

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on the property, plant and equipment added / disposed off / discarded during the year is provided on pro-rata basis with reference to the time of addition/disposal/discarding.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss under other expenses.

- d. On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at April 01, 2015 measured as per previous GAAP and use that carrying value as deemed cost of property, plant and equipment and intangible assets.

### 2.3 Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. The cash generating unit is the group of asset that generates identified independent Cash Flows. 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 fair value less costs of disposal 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

### 2.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings, Motor Vehicles, Plant and Equipment and Computers. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.5 Investments and other financial assets

### a. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Assets that are held for collection of contractual cash flows where those cash flows represent sole payment of principal and interest are measured at amortised cost.

Investments in mutual funds are primarily held for the Company's cash requirements and can be readily convertible in cash. These investments are initially recognised at fair value and carried at fair value through profit or loss (FVTPL).

### b. Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset (other than financial asset at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through the Statement of Profit and Loss are recognised immediately in Statement of Profit and Loss.

### c. Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortized cost or 'fair value through profit or loss' or 'fair value through other comprehensive income', depending on the classification of the financial asset.

### d. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase

in credit risk. For trade receivables, except for specifically identified cases, the Company follows a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns. For refundable security deposits and reinstatement charges recoverable with government authorities, the company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR).

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

#### e. De-recognition of financial assets

A financial asset is de-recognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the 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 company 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 de-recognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised 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 recognised to the extent of continuing involvement in the financial asset.

### 2.5.1 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cash in transit and short term deposits 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.

### 2.6 Financial Liabilities

#### a. Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### b. Measurement

Financial liabilities are initially recorded at fair value and are subsequently measured at amortised cost using effective interest method or at FVTPL.

#### c. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts

of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance Cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

#### **d. De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

#### **e. Trade and other payables**

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

### **2.7 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **2.8 Inventories**

Stock of gas is valued at lower of cost computed on First In First Out (FIFO) basis and estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories other than stock of gas are valued at cost, which is determined on weighted average net off provision for cost of obsolescence / slow moving inventory and other anticipated losses, wherever considered necessary.

Cost of inventories includes all other costs incurred in bringing the inventories to their present location and condition.

### **2.9 Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.18.

The Company earns revenues primarily from sale of natural gas. Revenue is recognised on supply of gas to customers by metered/assessed measurements. The Company has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has the pricing latitude and is also exposed to credit risk.

However, sales tax/value added tax (VAT)/ Goods and Service Tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue is measured at the fair value of the consideration received or receivable, inclusive of excise duty. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Compensation receivable from customers with respect to shortfall in minimum guaranteed off take of gas is recognised on contractual basis. Delayed payment charges are recognised on receipt basis in view of uncertainty of collection.

## 2.10 Interest and Dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive dividend has been established.

## 2.11 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses

are presented in the statement of profit and loss on a net basis within other gains/(losses).

## 2.12 Income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

### Current Tax

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. 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 Tax

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 financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise 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 company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

### 2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.15 Employee benefits

#### a. Short-term obligations

Liabilities for wages and salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period are recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

#### b. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

- defined benefit plans - gratuity and post-retirement medical benefit scheme
- defined contribution plans such as provident fund.

#### Defined Benefit Plans - Gratuity obligations and post-retirement medical benefit obligations

The liability or asset recognised in the balance sheet in respect of gratuity 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 benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation 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 expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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 in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

### Compensated absences

The Company's liabilities under for long term compensated absences is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for based on estimates. The benefits are discounted using the market yields at the end of the reporting period that gave terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### Defined contribution plans

Company pays provident fund contributions to publicly administered provident funds and National Pension Scheme (NPS) as per local regulations. Company's contribution to provident fund and NPS is recognised on accrual basis in the Statement of Profit and Loss. Company has no further payment obligations once the contributions have been paid.

#### c. Other long-term employee benefit obligations

The liabilities for long service awards and compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period are measured at 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, using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

### 2.16 Segment reporting

The board of directors assesses performance of the Company as Chief Operating Decision Maker.

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended March 31, 2022.

### 2.17 Earnings per share

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates:

#### Useful lives of property, plant and equipment

The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Provision for Capital Work in Progress

The Company has a defined policy for provision of slow and non-moving capital work in progress (CWIP) based on the ageing of CWIP. The Company reviews the policy at regular intervals.

### Estimation of defined benefit obligation

The company has defined benefit plans for its employees which are actuarially valued. Such valuation is based on many estimates and other factors, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

### Recognition of deferred tax assets

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

### Provision on receivables

The Company has a defined policy for provision of receivables which is based on the ageing of receivables. The Company reviews the policy at regular intervals.

### Provision for Inventory including Capital Inventory

The Company has a defined policy for provision of slow and non-moving inventory based on the ageing of inventory. The Company reviews the policy at regular intervals.

### Provision for Refundable Security Deposits and recoverable reinstatement charges

The Company provides non recoverable refundable security deposits and recoverable reinstatement charges from local authorities based on expected credit loss model.

### Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on

past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure so provided and included as liability.

### Recognition and measurement of unbilled gas sales revenue

In case of customers where meter reading dates for billing is not matching with reporting date, the gas sales between last meter reading date and reporting date has been accrued by the company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue so included in Sale of natural gas and classified under current financial assets.

## 2.19 Fair Value Measurements

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfer have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value for measurement and/or disclosure purposes in this financial information is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Note – 3 : Property, Plant and Equipment & Intangible Assets

(₹ in Lakh)

Description of Assets	Gross Carrying Amount			Accumulated Depreciation/Amortisation			Net Carrying Amount		
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation/Amortisation	Disposals	As at 31st March 2021	As at 31st March 2022
<b>i. Property, Plant and Equipment</b>									
Freehold Land	821.80	-	-	821.80	-	-	-	821.80	821.80
	821.80	-	-	821.80	-	-	-	821.80	821.80
Buildings & Bunk Houses	2,774.27	10,729.21	-	13,503.48	256.04	133.04	-	2,518.23	13,114.40
	2,678.40	95.87	-	2,774.27	204.51	51.53	-	2,473.89	2,518.23
Roads & Fences	669.36	231.36	-	900.72	186.21	52.16	-	483.15	662.35
	428.21	241.15	-	669.36	139.21	47.00	-	289.00	483.15
Plant & Equipment – Gas Distribution System	2,61,597.93	47,113.26	-773.55	3,07,937.64	64,680.31	16,255.48	-491.84	1,96,917.62	2,27,493.69
	2,36,037.42	25,646.04	-85.53	2,61,597.93	50,567.39	14,171.24	-58.32	1,85,470.03	1,96,917.62
Plant & Equipment – Others	2,694.78	223.39	-	2,918.17	1,029.01	198.04	-	1,665.77	1,691.12
	2,665.42	29.36	-	2,694.78	846.41	182.60	-	1,819.01	1,665.77
Computers	1,476.47	255.90	-32.99	1,699.38	911.34	221.62	-30.70	565.13	597.12
	1,209.05	282.17	-14.75	1,476.47	754.16	170.32	-13.14	454.89	565.13
Electrical Installations	916.31	408.93	-	1,325.24	556.07	97.28	-	360.24	671.89
	910.43	5.88	-	916.31	464.96	91.11	-	445.47	360.24
Office Equipments	1,316.92	155.75	-	1,472.67	941.67	125.19	-	375.25	405.81
	1,233.20	83.72	-	1,316.92	819.91	121.76	-	413.29	375.25
Communication Systems	120.15	9.16	-	129.31	84.24	16.26	-	35.91	28.81
	110.82	9.33	-	120.15	67.31	16.93	-	43.51	35.91
Furniture and Fixtures	620.87	44.76	-11.47	654.16	272.91	68.30	-7.77	347.96	320.72
	589.00	31.87	-	620.87	197.97	74.94	-	391.03	347.96
<b>Total – Property, Plant and Equipment (i)</b>	<b>2,73,008.86</b>	<b>59,171.72</b>	<b>-818.01</b>	<b>3,31,362.57</b>	<b>68,917.80</b>	<b>17,167.37</b>	<b>-530.31</b>	<b>2,04,091.06</b>	<b>2,45,807.71</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Note – 3 : Property, Plant and Equipment & Intangible Assets (Contd..)

(₹ in Lakh)

Description of Assets	Gross Carrying Amount			Accumulated Depreciation/Amortisation			Net Carrying Amount	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Disposals	As at 31st March 2022	As at 31st March 2022
<b>ii. Intangible Assets</b>								
Computer Softwares / Licences (Acquired)	2,46,683.75	26,425.39	-100.28	2,73,008.86	54,061.83	14,927.43	68,917.80	1,92,621.92
	<b>1,606.53</b>	<b>128.64</b>	-	<b>1,735.17</b>	<b>1,041.15</b>	<b>170.93</b>	<b>1,212.08</b>	<b>565.38</b>
	1,352.89	254.16	-0.52	1,606.53	889.37	152.30	1,041.15	463.52
<b>Total – Intangible Assets (ii)</b>	<b>1,606.53</b>	<b>128.64</b>	-	<b>1,735.17</b>	<b>1,041.15</b>	<b>170.93</b>	<b>1,212.08</b>	<b>565.38</b>
	1,352.89	254.16	-0.52	1,606.53	889.37	152.30	1,041.15	463.52
<b>iii. Total – Property, Plant and Equipment &amp; Intangible Assets (i+ii)</b>	<b>2,74,615.39</b>	<b>59,300.36</b>	<b>-818.01</b>	<b>3,33,097.74</b>	<b>69,958.95</b>	<b>17,338.29</b>	<b>86,766.94</b>	<b>2,04,656.44</b>
	2,48,036.64	26,679.55	-100.80	2,74,615.39	54,951.20	15,079.73	69,958.95	1,93,085.44
<b>iv. Right to Use Assets (refer note 30.5)</b>	<b>16,471.90</b>	<b>5,314.36</b>	<b>-259.29</b>	<b>21,526.97</b>	<b>4,196.59</b>	<b>2,288.48</b>	<b>6,485.07</b>	<b>12,275.31</b>
	13,742.74	2,729.16	-	16,471.90	1,909.01	2,287.58	4,196.59	11,833.73
<b>v. Total (iii+iv)</b>	<b>2,91,087.29</b>	<b>64,614.72</b>	<b>-1,077.30</b>	<b>3,54,624.71</b>	<b>74,155.54</b>	<b>19,626.77</b>	<b>93,252.00</b>	<b>2,16,931.75</b>
	2,61,779.38	29,408.71	-100.80	2,91,087.29	56,860.21	17,367.31	74,155.54	2,04,919.17
<b>vi. Capital work-in-progress</b>								<b>56,032.03</b>
								48,653.26
<b>Grand Total (v+vi)</b>								<b>2,72,963.78</b>
								2,53,572.43

Figures in *italic* represent previous year's figures.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Note - 3 : Property, Plant and Equipment & Intangible Assets (Contd..)

### vii) Capital-Work-in Progress (CWIP)

#### a) Ageing of capital-work in Progress as at March 31, 2022

(₹ in Lakh)

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	<b>32,806.75</b>	<b>6,441.43</b>	<b>10,746.75</b>	<b>11,599.60</b>	<b>61,594.53</b>
	25,611.76	14,209.79	5,837.72	10,372.76	56,032.03
- Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>32,806.75</b>	<b>6,441.43</b>	<b>10,746.75</b>	<b>11,599.60</b>	<b>61,594.53</b>
	25,611.76	14,209.79	5,837.72	10,372.76	56,032.03

#### b) CWIP , whose completion is overdue, completion schedule is as below:

(₹ in Lakh)

Particulars	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Mumbai & Greater Mumbai (GA1)	<b>3,403.55</b>	<b>51.67</b>	-	-	<b>3,455.23</b>
	2,976.55	1,765.15	-	-	4,741.69
Thane City & adjoining Contiguous Area (GA2)	<b>4,701.48</b>	<b>1,407.57</b>	-	-	<b>6,109.05</b>
	3,879.07	4,486.87	-	-	8,365.94
Raigad District ( GA3)	<b>7,010.90</b>	<b>379.56</b>	-	-	<b>7,390.46</b>
	364.31	3,795.22	-	-	4,159.53
<b>Total</b>	<b>15,115.94</b>	<b>1,838.80</b>	-	-	<b>16,954.74</b>
	7,219.93	10,047.23	-	-	17,267.16

Notes :-

- 1) Capital Work-in-Progress includes Capital inventory of ₹ 13,772.00 Lakh (as at 31st March, 2021 ₹ 11,959.57 Lakh).
  - a) Capital inventory includes material with contractors ₹ 4,473.84 Lakh (as at 31st March, 2021 ₹ 3,364.84 Lakh).
  - b) Capital inventory includes material in transit ₹ NIL (as at 31st March, 2021 ₹ 203.95 Lakh).
  - c) As at March 31, 2022, ₹ 737.55 Lakh (March 31, 2021 ₹ 536.13 Lakh) has been recognised as an allowance for Capital inventory obsolescence.
  - d) As at March 31, 2022, ₹ 1256.18 Lakh (March 31, 2021 ₹ 172.27 Lakh) has been recognised as an allowance for Capital Work-in-Progress write off.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Note - 3 : Property, Plant and Equipment & Intangible Assets (Contd..)

- 2) There are no projects as at reporting date which has exceeded cost as compared to its original approved plan. The Company follows practice of seeking approval for annual capital expenditure plan for each of the geographical/project areas.
- 3) Figures in *italic* represent previous year's figures.

## 4. Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>(a) Current</b>		
Secured, Considered Good (secured against security deposits)	4,407.80	3,388.08
Unsecured, Considered Good#	13,996.26	9,363.90
With significant increase in credit risk	-	-
Unsecured, Considered doubtful	404.22	401.19
	<b>18,808.28</b>	<b>13,153.17</b>
Less : Allowance for Doubtful Trade Receivables	404.22	401.19
	<b>18,404.06</b>	<b>12,751.98</b>
<b>(b) Non-current</b>		
Unsecured Considered Good	0.60	0.96
<b>Total - Trade Receivables (a+b)</b>	<b>18,404.66</b>	<b>12,752.94</b>

#Includes ₹ Nil (Previous year ₹0.37 Lakh) receivable from related parties (refer note 30.3)

## Trade Receivable ageing schedule as at March 31, 2022

(₹ in Lakh)

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables - considered Good	<b>13,617.19</b> <i>10,502.94</i>	<b>3,924.60</b> <i>1,897.49</i>	<b>178.16</b> <i>235.07</i>	<b>116.20</b> <i>81.33</i>	<b>28.16</b> <i>20.30</i>	<b>28.15</b> <i>14.13</i>	<b>17,892.46</b> <i>12,751.26</i>
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	<b>12.79</b> <i>9.23</i>	-	<b>12.79</b> <i>9.23</i>
Disputed Trade Receivables -considered good	<b>0.02</b> <i>0.01</i>	<b>510.51</b> <i>0.20</i>	<b>0.15</b> <i>0.15</i>	<b>0.28</b> <i>0.28</i>	<b>0.24</b> <i>0.54</i>	<b>1.01</b> <i>0.50</i>	<b>512.21</b> <i>1.68</i>
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	<b>124.10</b> <i>38.62</i>	<b>267.33</b> <i>86.12</i>	<b>391.43</b> <i>391.96</i>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 4. Trade Receivables (Contd..)

(₹ in Lakh)							
Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Less : Loss allowance for trade receivables	-	-	-	-	(136.89)	(267.33)	(404.22)
	-	-	-	(38.62)	(95.35)	(267.22)	(401.19)
<b>Total</b>	<b>13,617.21</b>	<b>4,435.11</b>	<b>178.31</b>	<b>116.48</b>	<b>28.40</b>	<b>29.16</b>	<b>18,404.66</b>
	10,502.95	1,897.69	235.22	81.61	20.84	14.63	12,752.94

### Notes:-

- Figures in *italic* represent previous year's figures.
- Undisputed Trade receivables - considered Good" under age bucket 2-3 years and more than 3 years are secured against security deposits

## 5. Other Non-current Financial Assets

(₹ in Lakh)		
Particulars	As at 31st March 2022	As at 31st March 2021
<b>Security Deposits</b>		
Unsecured, Considered Good	4,484.12	3,308.15
Unsecured, Considered doubtful	367.09	231.51
	<b>4,851.21</b>	<b>3,539.66</b>
Less: Expected credit loss allowance for Security Deposits	367.09	231.51
Subtotal	(a) <b>4,484.12</b>	<b>3,308.15</b>
Other Bank Balances#	(b) 23.79	16.58
<b>Total - Other Non-current Financial Assets</b>	<b>(a+b) 4,507.91</b>	<b>3,324.73</b>

#Deposits given as margin money

## 6. Other Non-current Assets

(₹ in Lakh)		
Particulars	As at 31st March 2022	As at 31st March 2021
Capital Advances#	2,398.52	2,159.18
Prepaid Rent on Leasehold Land	262.82	345.24
Prepaid Expenses	1,067.01	752.70
Balances with Government Authorities	31.00	164.37
	<b>3,759.35</b>	<b>3,421.49</b>

#Includes ₹ 2,358.73 Lakh (Previous year ₹ 2,159.18 Lakh) receivable from related parties (refer note 30.3)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 7. Inventories (at lower of Cost and Net Realisable Value)

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Stock in Trade:</b>		
Stock of Natural Gas	71.67	33.84
Stores and Spares	2,677.01	2,182.63
	<b>2,748.68</b>	<b>2,216.47</b>

As at March 31, 2022, ₹279.49 Lakh (March 31, 2021: ₹514.28 Lakh) has been recognised as an allowance for inventory obsolescence

## Note – 8 : Investments

### a. Carried at Fair Value through profit or Loss

(₹ in Lakh)

Name of Mutual Fund Scheme (Unquoted)	Face Value (₹)	Number of Units		Amount (₹ in Lakh)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Axis Liquid Fund - Direct Plan - Growth	1,000	3,18,474	-	7,528.98	-
Axis Banking & PSU Debt Fund - Growth	1,000	1,41,738	1,41,738	3,099.90	2,973.37
Axis Overnight Fund - Direct Plan - Growth	1,000	-	3,78,701	-	4,119.96
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	100	9,08,682	-	3,117.92	-
Aditya Birla Sun Life Overnight Fund - Direct Plan - Growth	1,000	-	5,85,823	-	6,519.84
DSP Liquidity Fund - Direct Plan - Growth	1,000	3,28,949	-	10,009.89	-
HDFC Overnight Fund - Direct Plan - Growth	1,000	-	3,30,738	-	10,114.18
ICICI Prudential Liquid Fund - Direct Plan - Growth	100	-	15,10,415	-	4,602.78
IDFC Banking & PSU Debt Fund - Growth	10	5,48,55,456	5,58,68,678	11,190.07	10,917.02
L&T Liquid Fund - Direct Plan - Growth	1,000	62,420	-	2,685.97	-
Nippon India Banking PSU & Debt Fund - Growth	10	4,26,44,389	4,26,44,389	7,358.12	7,002.72
SBI Liquid Fund - Direct Plan - Growth	1,000	80,583	-	2,685.90	-
SBI Overnight Fund - Direct Plan - Growth	1,000	-	1,89,144	-	6,339.62
TATA Liquid Fund - Direct Plan - Growth	1,000	18,610	-	625.39	-
TATA Overnight Fund - Direct Plan - Growth	1,000	-	2,71,702	-	2,950.50
UTI Overnight Fund - Direct Plan - Growth	1,000	-	2,20,691	-	6,218.31
<b>Total Investment in Mutual Funds (Unquoted)</b>				<b>48,302.14</b>	<b>61,758.30</b>

### b. Carried at Amortised Cost

(₹ in Lakh)

Particulars	31.03.2022	31.03.2021
Fixed Deposit with LIC Housing Finance Ltd.	34,881.98	25,268.90
Fixed Deposit with HDFC Ltd.	25,643.95	15,470.37
<b>Total of Corporate FDs</b>	<b>60,525.93</b>	<b>40,739.27</b>
<b>Grand Total (a+b) (Unquoted Investments)</b>	<b>1,08,828.07</b>	<b>1,02,497.57</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 9. Cash and Cash Equivalents

Particulars	(₹ in Lakh)	
	As at 31st March 2022	As at 31st March 2021
Cash on Hand	1.11	1.22
Cash in Transit	495.12	239.67
Balances with Banks in Current Accounts	7,752.07	2,577.76
<b>Total - Cash and Cash Equivalents (refer Cash Flow Statement)</b>	<b>8,248.30</b>	<b>2,818.65</b>

## 10. Other Bank Balances

Particulars	(₹ in Lakh)	
	As at 31st March 2022	As at 31st March 2021
Deposit Accounts	37,841.54	43,270.07
Margin Money Deposits	166.31	135.28
Dividend Accounts	79.05	4,961.59
Unspent CSR Accounts	183.04	-
	<b>38,269.94</b>	<b>48,366.94</b>

## 11. Other Current Financial Assets

Particulars	(₹ in Lakh)	
	As at 31st March 2022	As at 31st March 2021
Unbilled Revenue (a)	6,296.71	4,563.67
<b>Security Deposits</b>		
Unsecured, Considered Good #	242.21	456.36
Unsecured, Considered doubtful	309.64	356.95
	<b>551.85</b>	<b>813.31</b>
Less: Expected credit loss allowance for Security Deposits	309.64	356.95
<b>Subtotal (b)</b>	<b>242.21</b>	<b>456.36</b>
Miscellaneous Receivable and Others	675.07	1,047.64
Less : Allowance for Doubtful and Expected Credit Loss on Miscellaneous Receivable	457.21	559.02
<b>Subtotal (c)</b>	<b>217.86</b>	<b>488.62</b>
<b>Total - Other Current Financial Assets (a+b+c)</b>	<b>6,756.78</b>	<b>5,508.65</b>

#Includes ₹28.00 Lakh (Previous year ₹8.00 Lakh) receivable from related parties (refer note 30.3)

## 12. Other Current Assets

Particulars	(₹ in Lakh)	
	As at 31st March 2022	As at 31st March 2021
Prepaid Expenses	1,060.90	932.16
Balances with Government Authorities	78.43	227.98
Advances to Vendors	116.45	110.08
	<b>1,255.78</b>	<b>1,270.22</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 13. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Authorised Equity Share Capital</b>		
13,00,00,000 (previous year 13,00,00,000) Equity Shares of ₹10/- each	13,000.00	13,000.00
<b>Issued, Subscribed and Fully Paid Equity Shares</b>		
9,87,77,778 (previous year 9,87,77,778) Equity Shares of ₹10/- each	9,877.78	9,877.78

### Terms/rights attached to equity shares :

The Company has only one class of equity shares having par value at ₹10 per share, each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will 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.

### Details of Shareholders holding more than 5% Shares

Particulars	As at 31st March 2022	As at 31st March 2021
<b>GAIL (India) Limited</b>		
Number of Shares	3,21,02,750	3,21,02,750
Percentage	32.50	32.50
<b>Government of Maharashtra</b>		
Number of Shares	98,77,778	98,77,778
Percentage	10.00	10.00
<b>Vontobel Fund</b>		
Number of Shares	-	77,33,751
Percentage	-	7.83
<b>Life Insurance Corporation Of India</b>		
Number of Shares	82,19,236	55,72,819
Percentage	8.32	5.64
<b>Details of shares held by promoters</b>		
GAIL (India) Limited		
No. of shares at the beginning of the year	3,21,02,750	3,21,02,750
No. of shares at the end of the year	3,21,02,750	3,21,02,750
Change during the year	-	-
Percentage of total shares	32.50	32.50
Percentage change during the year	-	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 14. Other Equity

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
General Reserve	21,183.81	21,183.81
Retained Earnings	3,28,670.71	2,92,175.53
	<b>3,49,854.52</b>	<b>3,13,359.34</b>

## 15. Lease Liabilities (refer note 30.5)

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Non Current Lease Liabilities	8,240.48	5,731.25
Current Lease Liabilities	2,058.36	1,679.23
	<b>10,298.84</b>	<b>7,410.48</b>

## 16. Security Deposits

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>a. Current</b>		
Security Deposits from customers	70,326.38	62,416.22
Security Deposits from vendors	1,174.83	1,135.13
<b>Total (a)</b>	<b>71,501.21</b>	<b>63,551.35</b>
<b>b. Non-current</b>		
Security Deposits from vendors	79.79	81.06
<b>Total (b)</b>	<b>79.79</b>	<b>81.06</b>
<b>Total Security Deposits (a+b)</b>	<b>71,581.00</b>	<b>63,632.41</b>

## 17. Provisions

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>a. Current (refer note 30.1)</b>		
Leave Encashment	760.97	716.81
Post Retirement Medical Benefit	9.97	5.05
Gratuity	145.99	11.20
Other Employee Benefits Obligations	56.66	28.99
<b>Total (a)</b>	<b>973.59</b>	<b>762.05</b>
<b>b. Non-current (refer note 30.1)</b>		
Leave Encashment	1,567.48	1,392.38
Post Retirement Medical Benefit	799.58	646.06
Other Employee Benefits Obligations	218.85	207.00
<b>Total (b)</b>	<b>2,585.91</b>	<b>2,245.44</b>
<b>Total Provisions (a+b)</b>	<b>3,559.50</b>	<b>3,007.49</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 18. Deferred Tax Liabilities (Net) (refer note 30.6)

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Liabilities	24,183.61	20,881.29
Less : Deferred Tax Assets	4,103.81	3,156.23
	<b>20,079.80</b>	<b>17,725.06</b>

## 19. Trade Payables

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Micro, Small and Medium Enterprises (refer note 30.10)	1,809.71	1,797.15
Other Trade Payables	16,582.90	10,866.69
	<b>18,392.61</b>	<b>12,663.84</b>
To Related Parties (Refer note 30.3)	8,792.05	2,921.97
	<b>27,184.66</b>	<b>15,585.81</b>

### Trade Payables ageing schedule as at March 31, 2022

(₹ in Lakh)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				
			Upto 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	<b>1,809.71</b>	-	-	-	-	<b>1,809.71</b>
	-	<i>1,797.15</i>	-	-	-	-	<i>1,797.15</i>
Others	<b>9,156.38</b>	<b>16,218.57</b>	-	-	-	-	<b>25,374.95</b>
	<i>6,332.54</i>	<i>7,456.12</i>	-	-	-	-	<i>13,788.66</i>
Disputed Dues – MSME	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total</b>	<b>9,156.38</b>	<b>18,028.28</b>	-	-	-	-	<b>27,184.66</b>
	<i>6,332.54</i>	<i>9,253.27</i>	-	-	-	-	<i>15,585.81</i>

Figures in *italic* represent previous year's figures.

## 20. Current Financial Liabilities – Others

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Unpaid Dividends	79.05	4,961.57
Payables for purchase of property, plant and equipment	9,276.04	8,307.65
Others	15,148.28	9,897.20
	<b>24,503.37</b>	<b>23,166.42</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 21. Other Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory Payables	3,678.83	3,755.88
Advances from Customers (Refer note 30.14)	2,427.92	2,253.99
Others	37.78	42.70
	<b>6,144.53</b>	<b>6,052.57</b>

## 22. Revenue from Contracts with Customers (refer note 30.14)

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of Natural Gas (Including Excise Duty)	3,85,591.96	2,31,745.50
Sale of Pipes, Fittings and Other Materials	524.95	379.49
Other Operating Income	2,372.70	1,654.30
	<b>3,88,489.61</b>	<b>2,33,779.29</b>

## 23. Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>a. Interest Income</b>		
From Bank Deposits	1,884.37	1,429.14
From Other Financials Assets	2,709.47	2,410.45
	<b>4,593.84</b>	<b>3,839.59</b>
<b>b. Dividend Income</b>		
From Mutual Funds designated at FVTPL	-	98.19
<b>c. Other Gains and Losses</b>		
Gain/(Loss) on Debt Instruments designated at FVTPL *	2,473.66	2,945.16
	<b>2,473.66</b>	<b>2,945.16</b>
<b>d. Other Non-operating Income</b>	1,506.32	1,168.15
<b>Total Other Income (a+b+c+d)</b>	<b>8,573.82</b>	<b>8,051.09</b>

\*Includes unrealised increase/(decrease) in fair value ₹1,001.81 Lakh (previous year - ₹1,477.80 Lakh)

## 24. Cost of Natural Gas and Traded Items

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchase Cost of Natural Gas and Other Charges	2,05,440.52	74,556.75
Less: Captive Consumption (Including VAT)	1,316.93	165.64
	<b>2,04,123.59</b>	<b>74,391.11</b>
Purchase of Pipes, Fittings and Other Materials	454.00	329.55
	<b>2,04,577.59</b>	<b>74,720.66</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 25. Changes in Inventories

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Changes in Stock of Natural Gas:		
Opening Stock	33.84	43.99
Closing Stock	71.67	33.84
(Increase) / Decrease in Stock	<b>(37.83)</b>	<b>10.15</b>

## 26. Employee Benefits Expense

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, Wages and Allowances	9,505.81	9,042.51
Contribution to Provident Fund and Other Funds (Refer note 30.1)	507.25	474.84
Gratuity (Refer note 30.1)	127.21	135.56
Staff Welfare	499.45	388.75
Secondment Charges (Refer note 30.3)	201.25	185.86
	<b>10,840.97</b>	<b>10,227.52</b>
Less: Transfer to Capital Work-in-Progress	2,510.31	1,474.98
	<b>8,330.66</b>	<b>8,752.54</b>

## 27. Finance Costs

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on lease liability (refer note 30.5)	721.75	640.77
Other Interest Expense	31.69	78.67
	<b>753.44</b>	<b>719.44</b>

## 28. Other Expenses

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Power and Fuel	12,180.34	7,295.45
CNG Dispensing Charges (refer note 30.5)	9,239.50	4,503.02
Consumption of Stores and Spares	2,725.06	2,068.90
Insurance	456.64	457.51
Rent Expense (refer note 30.5)	1,613.41	3,070.12
Rates and Taxes	103.93	451.39
Repairs to Buildings	83.92	0.75

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 28. Other Expenses (Contd..)

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Repairs to Plant and Machinery	7,964.11	6,618.31
Write-off, Allowance and Loss on Disposal of CWIP and Property, Plant and Equipment	928.12	648.66
Bad Trade Receivables Written Off	73.27	58.10
Allowance for Doubtful Trade Receivables (Net)	3.02	-
Allowance for Doubtful Miscellaneous Receivable	(65.81)	(139.71)
Security Deposits Written off	87.29	82.23
Expected credit loss allowance for Security Deposits (Net)	88.27	(90.45)
Refundable Reinstatement Charges written off	89.77	135.82
Expected credit loss allowance for Refundable Reinstatement Charges (Net)	(36.00)	(84.85)
Allowance for inventory obsolescence	(4.63)	13.66
Corporate Social Responsibility Expenditure (Refer Note 30.13)	1,719.23	1,660.61
Miscellaneous Expenses (refer note 30.11)	13,736.82	11,747.47
	<b>50,986.26</b>	<b>38,496.99</b>
Less: Transfer to Capital Work-in-Progress	270.42	122.66
	<b>50,715.84</b>	<b>38,374.33</b>

## 29. OCI - Items that will not be reclassified to profit or loss

(₹ in Lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Gains/(Losses) on Remeasurements of the Defined Benefit Plans	15.26	121.49
Less : Income Tax on Remeasurements of the Defined Benefit Plans	(2.01)	(30.57)
OCI - Items that will not be reclassified to profit or loss (Net of Income Tax)	<b>13.25</b>	<b>90.92</b>

## 30. Disclosures under Indian Accounting Standards:

### 30.1 Employee Benefit Obligations

#### a. Short-term Employee Benefits

These benefits include wages and salaries, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulated and expected to be availed within twelve months after the end of the reporting period.

#### b. Long-term Employee Benefits

##### i) Defined Contribution Plans

The Company makes Provident Fund and National Pension Scheme (NPS) contributions, which are defined contribution plans, for qualifying employees. Company has no further payment obligations once the contributions have been paid. Under the Provident Fund Schemes and NPS, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are in compliance with the rates specified in the rules of the schemes. The

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.1 Employee Benefit Obligations (Contd..)

Company recognised ₹507.25 Lakh (previous year ₹474.84 Lakh) as an expense and included in Note 26 – Employee Benefit Expenses 'Contribution to Provident Fund and Other Fund's in the Statement of Profit and Loss for the year ended March 31, 2022.

### ii) Defined Benefit Plans

The Company offers the following defined benefit schemes to its employees:

- Gratuity (refer note 26): The Company's gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, Employee who has completed five years of service is entitled to specific benefit, the plan is funded.
- Post-Retirement Medical Benefit Plan (PRMB) (refer note 26): The Company has provided Post-Retirement Medical Scheme. Under the scheme eligible retired employees of the company and their spouse are provided medical claims for hospitalisation through insurance policy coverage.

The following table sets out the funded/unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

#### Amount recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Current Service Cost	126.44	76.24	118.37	84.15
Past Service Cost	-	83.75	-	-
Interest Cost (Net)	0.77	44.67	17.19	43.71
<b>Total Expense recognised in the Statement of Profit and Loss</b>	<b>127.21</b>	<b>204.66</b>	<b>135.56</b>	<b>127.86</b>

#### Amount recognised in Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
(Gain)/Loss Due to change in Demographic Assumptions	2.83	(102.27)	(1.73)	47.51
(Gain)/Loss Due to change in Financial Assumptions	39.39	(52.14)	(5.90)	(8.21)
(Gain)/Loss Due to Experience	(38.66)	116.38	11.18	(153.51)
Return on Plan Assets (excluding amounts included in net interest expense)	19.21	-	(10.83)	-
<b>Total Remeasurement (gains)/losses recognised in OCI</b>	<b>22.77</b>	<b>(38.03)</b>	<b>(7.28)</b>	<b>(114.21)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.1 Employee Benefit Obligations (Contd..)

Net Asset/ (Liability) recognised in the Balance Sheet

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Present value of Defined Benefit Obligation	(2100.23)	(809.55)	(1,936.40)	(651.11)
Fair value of Plan Assets	1,954.24	-	1,925.20	-
<b>Net Asset/ (Liability) recognised in the Balance Sheet</b>	<b>(145.99)</b>	<b>(809.55)</b>	<b>(11.20)</b>	<b>(651.11)</b>

Change in defined obligation (DBO) during the year

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Present value of DBO at beginning	1936.40	651.11	1,745.16	640.93
Current Service Cost	126.44	76.24	118.37	84.15
Past Service Cost	-	83.75	-	-
Interest Cost	132.84	44.67	119.02	43.71
Remeasurement (gain)/loss	3.56	(38.03)	3.55	(114.21)
Benefits paid	(99.01)	(8.19)	(49.70)	(3.47)
Present value of DBO at the end	2,100.23	809.55	1,936.40	651.11

Change in the fair value of Asset during the year – Gratuity (Funded)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
	Plan Assets at beginning	1,925.20
Interest Income	132.07	101.83
Return on Plan Assets (excluding amounts included in net interest expense)	(19.21)	10.83
Employer contribution	15.19	369.19
Benefits paid	(99.01)	(49.70)
<b>Plan Assets as at the end *</b>	<b>1,954.24</b>	<b>1,925.20</b>
Actual return on Plan Assets	112.86	112.66

\*Category-wise composition of the plan assets is not available with the Company since the fund is managed by LIC.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.1 Employee Benefit Obligations (Contd..)

### Principal Actuarial assumptions

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	PRMB (Unfunded)	Gratuity (Funded)	PRMB (Unfunded)
Discount rate	6.98%	6.98%	6.86%	6.86%
Expected rate of escalation in salary	8.08%	NA	7.50%	NA
Attrition	6.69%	6.69%	6.08%	6.08%
Medical Cost Inflation	NA	3.00%	NA	3.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate			
Estimate of amount of contribution in the immediate next year (₹ In Lakh)	273.87	NA	137.64	NA

### Maturity analysis of Projected Benefit Obligation

(₹ in Lakh)

Particulars	As at March 31, 2022	
	Gratuity (Funded)	PRMB (Unfunded)
1st Following Year	181.74	44.73
2nd Following Year	166.98	27.01
3rd Following Year	175.98	25.02
4th Following Year	174.17	28.09
5th Following Year	196.22	38.98
Sum of Years 6 To 10	1,050.31	225.56

These plans typically expose the Company to actuarial risks such as:

**Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest rate risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

**Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.1 Employee Benefit Obligations (Contd..)

In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in Assumption	As at March 31, 2022		As at March 31, 2021	
		Increase by ₹ Lakh	Decrease by ₹ Lakh	Increase by ₹ Lakh	Decrease by ₹ Lakh
Discount rate	+/- 1%	289.25	(355.95)	257.30	(315.21)
Expected rate of escalation in salary	+/- 1%	(96.42)	98.18	(104.11)	103.29
Attrition rate	+/- 1%	115.83	(199.96)	91.68	(159.23)
Medical Cost Inflation	+/- 1%	(207.47)	158.05	(166.82)	127.09

Positive figures represent decrease in obligation and negative figures represents increase obligation.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### iii) Other Long-term Employee Benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Long Service Awards are recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

An amount of **₹351.30 Lakh** (previous year ₹618.38 Lakh) and **₹67.29 Lakh** (previous year ₹62.10 Lakh) has been charged to the Statement of Profit and Loss towards Compensated absences and Long service awards respectively.

### Actuarial assumptions for long-term compensated absences

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.98%	6.86%
Salary escalation	8.08%	7.50%
Attrition	6.69%	6.08%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.2 Segment Information

### a. Description of segments and principal activities

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended March 31, 2022.

### b. Entity wide disclosures

#### Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

#### Geographical Information:

The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers earned and non-current asset are located, in India.

#### Information about major customers:

Three customers during the year ended March 31, 2022 and three customers during the year ended March 31, 2021 contributed to more than 10% of the revenue individually. Revenue from these customers is **₹1,52,391.67 Lakh** (previous year ₹83,436.79 Lakh).

## 30.3 Related Party Transactions

GAIL (India) Limited (GAIL) has a significant influence on the Company.

Details of transactions with related entities, in ordinary course of business:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Natural Gas (from GAIL)	1,40,552.26	67,088.60
Secondment Charges (also included in KMPs' remuneration, refer table below)	201.25	185.86
Other Expense	34.20	6.73
Capital Expense	16.87	70.14
Other Income (subsidiary/Joint Ventures of GAIL)	0.35	1.30
Advances given	199.64	1,918.73
Security Deposit given	20.00	2.00

Following is the list of Key Managerial Personnel (KMPs') as per Ind AS 24:

- a. Mr. Manoj Jain, Non-Executive Chairman (from 6th May 2020) - GAIL Nominee #
- b. Mr. Sanjib Datta, Managing Director
- c. Mr. Sanjay Shende, Whole Time Director (from 24th May, 2021)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.3 Related Party Transactions (Contd..)

- d. Mr. Syed S. Hussain, Independent Director
- e. Mr. Baldev Singh, Non-Executive Director (from 28th April 2021) – Government of Maharashtra Nominee #
- f. Mr. Premesh Kumar Jain, Independent Director (upto 20th April 2021)
- g. Mr. Deepak Sawant, Whole Time Director (upto 5th April, 2021)
- h. Mr. Raj Kishore Tewari, Independent Director (upto 31st March 2021)
- i. Mrs. Radhika Haribhakti, Independent Director (upto 25th September 2020)
- j. Dr. Ashutosh Karnatak, Non-Executive Chairman (upto 6th May 2020) – GAIL Nominee #
- k. Mrs. Malvika Sinha, Independent Director (from August 24, 2021)
- l. Mr. S. Venkatraman, Independent Director (from August 24, 2021)
- m. Mr. Rajeev Bhaskar Sahi, Independent Director (from August 24, 2021)

#No remuneration paid to nominee directors.

Details of KMPs' remuneration including directors sitting fee:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
KMPs' remuneration including directors sitting fee and secondment charges paid to related entities.	250.02	257.72

Outstanding balance with related entities having significant influence on the Company:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Trade Payables #	8,792.05	2,921.97
Trade Receivables	-	0.37
Capital Advances Given	2,358.73	2,159.18
Other Receivable	0.08	0.08
Security Deposits (Receivable)	28.00	8.00

#Mainly on account of gas purchases (secured by Stand by Letter of Credit) to be settled as per contract within 4 days, from receipt of invoices, being general terms of payment for such transactions.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.4 Financial Instruments (Fair Value Measurements):

The Company has various financial assets and liabilities. The disclosures regarding the classification, fair value hierarchy, capital management, markets risk, credit risks and liquidity risks are as follows:

### Classification of Financial Assets and Liabilities

(₹ in Lakh)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>A. Financial Assets</b>			
<b>I. Measured at Fair Value Through Profit or Loss (FVTPL)</b>			
(i) Investments	8	48,302.14	61,758.30
<b>II. Measured at Amortised Cost</b>			
(i) Investments: Corporate Fixed Deposits	8	60,525.93	40,739.27
(ii) Trade Receivables	4	18,404.66	12,752.94
(iii) Cash and Cash Equivalents	9	8,248.30	2,818.65
(iv) Bank balances other than (iii) above	10	38,269.94	48,366.94
(v) Other Financial Assets	6,11	11,264.69	8,833.38
<b>Total (A)</b>		<b>1,85,015.66</b>	<b>1,75,269.48</b>
<b>B. Financial Liabilities</b>			
<b>I. Measured at Amortised Cost</b>			
(i) Trade Payables	19	27,184.66	15,585.81
(ii) Lease Liabilities	15	10,298.84	7,410.48
(iii) Security Deposits	16	71,581.00	63,632.41
(iv) Other Financial Liabilities	20	24,503.37	23,166.42
<b>Total (B)</b>		<b>1,33,567.87</b>	<b>1,09,795.12</b>

### a. Fair Value Hierarchy of Financial Assets and Liabilities

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (i) recognised and measured at fair value and (ii) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, Company has classified its financial instruments into three levels prescribed under the accounting standards below:

Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There is no Level 3 type Financial Assets or Financials Liabilities as on 31st March 2022.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.4 Financial Instruments (Fair Value Measurements): (Contd..)

### (i) Measured at Fair Value Through Profit or Loss (FVTPL)

The company has investments in debt mutual funds which are not quoted in the active market. These debt mutual funds are subsequently measured at FVTPL as per the closing NAV statement provided by the mutual fund house. The corresponding unrealized gain or loss on fair valuation is recorded in profit and loss account under other income. Accordingly, such debt mutual funds fall under fair value hierarchy level 2. The fair value of these mutual funds as at March 31, 2022 is **₹48,302.14 Lakh** (previous year ₹61,758.30 Lakh).

### (ii) Measured at Amortised Cost for which Fair Value is disclosed

The fair values of all current financial assets and liabilities including trade receivables and unbilled revenue, cash and cash equivalents, bank balances, bank fixed deposits, corporate fixed deposits, security deposits, trade payables, lease liabilities, Payables for purchase of property, plant and equipment and other current financial assets and liabilities are considered to be the same as their carrying values, due to their short term nature. The fair values of all non-current financial assets and liabilities including security deposits, trade receivables and lease liabilities and other non-current financial assets and liabilities are considered to be the same as their carrying values, as the impact of fair valuation is not material.

## b. Capital Management

Total equity as shown in the balance sheet includes equity share capital, general reserves and retained earnings. There are no interest bearing loans and borrowings by the Company.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

## c. Financial risk management

Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the company is exposed to and how the company manages the risk and its impact on the financial statements.

### (i) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arises from trade receivables, security deposits, cash and cash equivalents and deposits with banks and corporates.

#### **Trade receivables**

The company supplies natural gas to customers.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.4 Financial Instruments (Fair Value Measurements): (Contd..)

Concentrations of credit risk with respect to trade receivables are limited as majority credit sales are made to high credit worthy entities and balance credit sales are against securities in the form of customer security deposits, bank guarantees and letter of credit. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

For trade receivables, except for specifically identified cases, Company follow a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns.

### Reconciliation of loss allowance for trade receivables

Particulars	(₹ in Lakh)
Particulars	Amount
Loss allowance as at March 31, 2021	401.19
Changes in loss allowance	3.03
Loss allowance as at March 31, 2022	404.22

### Other financial assets

The Company maintains exposure in security deposits, reinstatement charges receivable, cash and cash equivalents and term deposits with banks and corporates.

In case of security deposits and reinstatement charges, majority of which are given to Municipal authorities (which are government controlled entities) towards pipeline laying activity, the credit risk is low. However, historically the company has experienced a delay/ non receipt of these amounts and hence allowances have been taken into account for the expected credit losses of these security deposits and reinstatement charges.

In case of bank /corporate fixed deposits regular quotations for interest rate are invited and based on best offered rate the bank deposits are placed with banks/corporates having reasonably high net worth. Exposures of deposit placed are restricted to limits per bank/corporate as per policy and limits are actively monitored by the Company. We understand that the credit risk is very low to moderate for such deposits.

The Company's maximum exposure to credit risk is the carrying value of each class of financial assets as disclosed in note 4,5,8,9,10 and 11.

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will find it difficult in meeting its obligations associated with its financial liabilities on time.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities 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 business, Company's treasury maintains flexibility in funding by maintaining availability under cash and cash equivalents, bank fixed deposits, corporate fixed deposits and mutual funds.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.4 Financial Instruments (Fair Value Measurements): (Contd..)

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

As at March 31, 2022

Particulars	(₹ in Lakh)		
	Upto 1 year	More than 1 year	Total
Trade Payables	27,184.66	-	27,184.66
Lease Liabilities	2,058.36	8,240.48	10,298.84
Security Deposits	71,501.21	79.79	71,581.00
Others	24,503.37	-	24,503.37
<b>Total</b>	<b>1,25,247.60</b>	<b>8,320.27</b>	<b>1,33,567.87</b>

As at March 31, 2021

Particulars	(₹ in Lakh)		
	Upto 1 year	More than 1 year	Total
Trade Payables	15,585.81	-	15,585.81
Lease Liabilities	1,679.23	5,731.25	7,410.48
Security Deposits	63,551.35	81.06	63,632.41
Others	20,522.58	-	20,522.58
<b>Total</b>	<b>101,338.97</b>	<b>5,812.31</b>	<b>107,151.28</b>

### (iii) Market Risk

#### Foreign Exchange Risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. As per the risk management policy, the foreign currency exposure is unhedged however managed partially through natural hedge under gas sales contracts and balance through adjustment in sales prices.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.4 Financial Instruments (Fair Value Measurements): (Contd..)

The table below shows the unhedged currency exposure of financial liabilities:

Particulars	Currency	As on March 31, 2022		As on March 31, 2021	
		Forex	(₹ in Lakh)	Forex	(₹ in Lakh)
Capital Imports	USD	86,032.73	65.22	1,05,028.73	77.20
Capital Imports	EUR	78,547.50	66.50	1,55,786.58	134.13
Import of Goods & Services	USD	30,617.00	23.21	30,791.00	22.63

The sensitivity of profit or loss and equity to changes in the exchange rates that arise from foreign currency denominated financial instruments mentioned above is as below:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
<b>USD Sensitivity:</b>		
Increase by 5%	4.42	4.99
Decrease by 5%	4.42	4.99
<b>EUR Sensitivity:</b>		
Increase by 5%	3.32	6.71
Decrease by 5%	3.32	6.71

### (iv) Interest Rate Risk:

There are no interest bearing borrowings and hence company is not exposed to interest rate risk presently. The Company's investments in fixed deposits with banks/corporates and liquid debt mutual funds are for short durations, and therefore do not expose the Company to significant interest rates risk.

## 30.5 Leases – Ind AS 116:

### Company as a Lessee

The company has various operating lease arrangements for hiring of vehicles, equipment, offices, stores premises and land. Operating leases relate to land with lease term of 17 to 116 years. The Company does not have an option to purchase at the end of the lease term.

### The following are the practical expedients availed by the Company:

- Discount rate of 9.00% per annum has been applied to leases entered till Jun'21, thereafter discount rate of 7.55% has been applied which is likely incremental rate of borrowing.
- Right-to-use assets and liabilities for leases not recognised for leases with lease tenure less than 12 months from transition date.
- Initial direct cost not considered for measurement of right-of-use asset, as the same is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.5 Leases – Ind AS 116: (Contd..)

### 1. Leases are shown as follows in the Company's balance sheet and profit & loss account:

Following are the changes in the carrying value of right of use assets:

For the year ended March 31, 2022:

(₹ in Lakh)

Particulars	Land	Building	Plant & Machinery	Vehicles	Total
Balance as at April 01, 2021	8,975.67	1,761.83	1,165.98	371.83	12,275.31
Additions	177.94	845.34	4,137.50	153.58	5,314.36
Depreciation for the year	386.69	1,022.67	707.63	171.49	2,288.48
Deletion	259.29	-	-	-	259.29
<b>Balance as at March 31, 2022</b>	<b>8,507.63</b>	<b>1,584.50</b>	<b>4,595.84</b>	<b>353.93</b>	<b>15,041.90</b>

For the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Land	Building	Plant & Machinery	Vehicles	Total
Balance as at April 01, 2020	7,863.06	2,524.94	1,136.49	309.24	11,833.73
Additions	1,426.20	184.73	917.10	201.13	2,729.16
Depreciation for the year	313.59	947.84	887.61	138.54	2,287.58
Deletion	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>8,975.67</b>	<b>1,761.83</b>	<b>1,165.98</b>	<b>371.83</b>	<b>12,275.31</b>

The following is the break-up of current and non-current lease liabilities:

(₹ in Lakh)

Lease liabilities – Other financial liability	As at March 31, 2022	As at March 31, 2021
Current Lease liabilities	2,058.36	1,679.23
Non-current Lease liabilities	8,240.48	5,731.25
<b>Total lease liabilities</b>	<b>10,298.84</b>	<b>7,410.48</b>

The table below provides details regarding the contractual maturities of lease liabilities: -

As at March 31, 2022 on an undiscounted basis:

(₹ in Lakh)

Maturity analysis of contractual undiscounted cash flow	Less than 1 year	1 - 5 years	6 - 10 years	More than 10 years	Total
Land	506.63	1,901.70	1,784.84	2,255.08	6,448.25
Building	1,680.13	269.26	-	-	1,949.39
Plant & Machinery	2,128.34	3,222.86	543.53	-	5,894.73
Vehicles	350.53	66.23	-	-	416.76
<b>Total undiscounted lease liabilities</b>	<b>4,665.62</b>	<b>5,460.06</b>	<b>2,328.37</b>	<b>2,255.08</b>	<b>14,709.13</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.5 Leases – Ind AS 116: (Contd..)

As at March 31, 2021 on an undiscounted basis:

(₹ in Lakh)

Maturity analysis of contractual undiscounted cash flow	Less than 1 year	1 - 5 years	6 - 10 years	More than 10 years	Total
Land	489.92	1,962.04	2,098.11	2,610.45	7,160.52
Building	996.53	1,228.43	-	-	2,224.96
Plant & Machinery	612.30	683.89	132.69	-	1,428.88
Vehicles	174.10	268.63	-	-	453.73
<b>Total undiscounted lease liabilities</b>	<b>2,272.85</b>	<b>4,142.99</b>	<b>2,230.80</b>	<b>2,610.45</b>	<b>11,257.09</b>

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at 31 March 2022 and as at 31 March 2021.

## 2. Amounts recognized in the Statement of Profit and Loss:

(₹ in Lakh)

Amounts recognized in the Statement of Profit and Loss	2021-2022	2020-2021
<b>Other expenses</b>		
Short-term lease rent expense	259.02	282.19
Low value asset lease rent expense	11.65	10.61
Variable lease rent expense (CNG Dispensing Charges)	9,239.50	4,503.02
<b>Depreciation and Amortisation Expenses</b>		
Depreciation of right of use lease asset	2,288.48	2,287.58
<b>Finance cost</b>		
Interest expense on lease liability	721.75	640.77

## 3. Amount recognized in statement of cash flow:

(₹ in Lakh)

Amount recognized in statement of cash flow	2021-2022	2020-2021
Total cash outflow for leases	2,896.49	2,623.55

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.6 Income Tax

### a. Components and movements of Deferred Tax Liability (Net):

(₹ in Lakh)

Particulars	As at 31st March 2020 (a)	Recognised to Statement of Profit and Loss (b)	Recognised in Statement of Other Comprehensive Income (c)	As at 31st March 2021 (d=a+b+c)	Recognised to Statement of Profit and Loss (e)	Recognised in Statement of Other Comprehensive Income (f)	As at 31st March 2022 (g=d+e+f)
<b>i. Items of Deferred Tax Liabilities:</b>							
Property, Plant and Equipment and Intangible Assets	(16,399.20)	(2,181.60)	-	(18,580.80)	(2,548.89)	-	(21,129.69)
RoU Assets	(1,608.55)	(131.14)	-	(1,739.69)	(717.80)	-	(2,457.49)
Financial Assets Fair Value through profit or loss	(960.76)	399.96	-	(560.80)	(35.63)	-	(596.43)
<b>Total Deferred Tax Liability (i)</b>	<b>(18,968.51)</b>	<b>(1,912.78)</b>	<b>-</b>	<b>(20,881.29)</b>	<b>(3,302.32)</b>	<b>-</b>	<b>(24,183.61)</b>
<b>ii. Items of Deferred Tax Assets:</b>							
Lease Assets	1,676.40	188.66	-	1,865.06	726.94	-	2,592.00
Allowance for doubtful trade receivables and deposits and other balances	327.90	(16.89)	-	311.01	45.74	-	356.75
Dis-allowance under Section 43B of the Income Tax Act, 1961	861.66	135.71	(30.57)	966.80	134.81	(2.01)	1,099.60
Others	36.00	(22.64)	-	13.36	42.10	-	55.46
<b>Total Deferred Tax Assets (ii)</b>	<b>2,901.96</b>	<b>284.84</b>	<b>(30.57)</b>	<b>3,156.23</b>	<b>949.59</b>	<b>(2.01)</b>	<b>4,103.81</b>
<b>Net Deferred Tax Liability (i-ii)</b>	<b>(16,066.55)</b>	<b>(1,627.94)</b>	<b>(30.57)</b>	<b>(17,725.06)</b>	<b>(2,352.73)</b>	<b>(2.01)</b>	<b>(20,079.80)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.6 Income Tax (Contd..)

### b. Components of Income Tax Expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income Tax Expense</b>		
<b>i. Current Tax</b>		
Current Tax on Profits for the year	18,381.06	19,751.05
Effect of tax relating to prior periods	197.29	23.62
<b>Total Current Tax (i)</b>	<b>18,578.35</b>	<b>19,774.67</b>
<b>ii. Deferred Tax</b>		
Decrease / (Increase) in Deferred Tax Assets	(949.60)	(284.83)
Increase / (Decrease) in Deferred Tax Liability	3,302.32	1,912.78
<b>Total Deferred Tax (ii)</b>	<b>2,352.72</b>	<b>1,627.95</b>
<b>Total Income Tax Expense (i+ii)</b>	<b>20,931.07</b>	<b>21,402.62</b>

### c. Reconciliation of Income Tax Expense with Accounting Profit:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>i. Profit Before Tax</b>	<b>80,625.79</b>	<b>83,360.37</b>
<b>ii. Tax at Indian Tax Rate of 25.168% (Previous Year 25.168%)</b>	<b>20,291.90</b>	<b>20,980.12</b>
<b>iii. Tax effect of Permanent Differences:</b>		
a. Effect of Long Term Capital Gain	-	(229.19)
b. Effect of tax relating to prior periods	197.29	23.62
c. Effect of expenses not deductible for tax purposes	441.88	628.07
<b>Total Tax effect of Permanent Differences (a+b+c)</b>	<b>639.17</b>	<b>422.50</b>
<b>iv. Income Tax Expense as per Statement of Profit and Loss (ii+iii)</b>	<b>20,931.07</b>	<b>21,402.62</b>

## 30.7 Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year by the weighted average number of equity shares outstanding during the year. There are no dilutive potential equity shares as at the respective dates. The following data has been used for calculating basic and diluted EPS.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>a) Net profit after tax attributable to equity shareholders (₹ Lakh)</b>	<b>59,694.72</b>	<b>61,957.75</b>
b) Weighted Average Number of Equity Shares for basic and diluted EPS	9,87,77,778	9,87,77,778
c) EPS (₹) [Basic and Diluted (a/b)] (Face value per share ₹ 10)	60.43	62.72

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.8 Capital and other commitments

- a. Estimated amount of contracts to be executed for project execution including labour and purchase of material relating to construction of pipeline network and CNG outlets not provided for (net of advances) ₹ **44,540.73 Lakh** (previous year ₹ 33,043.62 Lakh).
- b. All term contracts for purchase of natural gas with suppliers, has contractual obligation of “take or pay” for shortfall in contracted Minimum Guaranteed Quantity (MGQ) as specified in individual contracts. Estimation of these MGQ commitments is dependent on nomination of quantity by suppliers and actual purchase by the company. As both the factors “quantity nomination by supplier” and “quantity to be purchased by the company”, are not predictable, MGQ commitment is not quantifiable.

## 30.9 Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts in respect of which the Company does not expect outflow of resources ₹ **37,128.94 Lakh** (previous year ₹35,486.98 Lakh), includes:

- i) Claims disputed by the Company relating to issues of applicability aggregating to ₹ **3,493.53 Lakh** (previous year ₹ 3,588.80 Lakh) as detailed below:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) Excise Duty	882.08	1,018.51
b) Service Tax	865.76	839.13
c) Sales Tax / Input VAT credits	403.07	378.73
d) Income Tax	1,342.62	1,352.43
<b>Total</b>	<b>3,493.53</b>	<b>3,588.80</b>

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

- ii) Central/State/Local Authority property taxes, lease rents, pipeline related re-instatement charges etc. claims disputed by the Company relating to issues of applicability and determination aggregating to ₹ **430.59 Lakh** (previous year ₹411.01 Lakh).
- iii) Third party/other claims arising from disputes relating to contracts aggregating to ₹ **0.63 Lakh** (previous year ₹ 0.63 Lakh).
- iv) GAIL (India) Limited (GAIL) raised demand in April 2014 for additional transportation tariff pursuant to demand on them by Oil and Natural Gas Corporation Limited (ONGC), based on the Petroleum and Natural Gas Regulatory Board (PNGRB) order dated 30.12.2013, determining tariff for ONGC’s Uran Trombay pipeline (UTPL) as a common carrier. The Company disputed the demand with GAIL based on contractual provisions and since the transportation charges are to be paid by a third-party user for utilisation of UTPL to ONGC as common carrier and not for transportation of its own gas by ONGC.

Complaint was filed with the PNGRB in February 2015. It was dismissed in October 2015. The writ petition was filed in November 2015 with the High Court of Delhi. The Court advised to appeal before Appellate Tribunal for Electricity (APTEL) being Appellate Authority of the PNGRB in November 2016. The matter was heard by APTEL and remanded

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.9 Contingent Liabilities (to the extent not provided for) (Contd..)

back to the PNGRB on technical grounds in September 2019. PNGRB on 18 March 2020 had passed an Order through which it directed MGL and GAIL to pay to ONGC. MGL filed its Appeal before APTEL on 20th April 2020 during lockdown. The matter was heard by APTEL on 9th October 2020. APTEL had passed judgement on 16 July 2021 and the matter was remanded back to PNGRB for proper adjudication. The matter was heard by PNGRB on April 07, 2022, and ordered all the parties to file their written submission on the issues noted in the APTEL judgement by April 29, 2022. The matter is next listed for hearing on May 11, 2022. Total demand from November 2008 till July 2021 is ₹ **33,180.09 Lakh** (previous year ₹ 31,463.35 Lakh) [including ₹ **22,332.14 Lakh** covered in the case filed with APTEL and ₹ **10,847.95 Lakh** (previous year ₹ 9,131.21 Lakh) demand received subsequently]. Based on the legal opinion, the Company believes that it has a strong case and does not expect any outflow of resources. Hence, no provision has been made.

- v) Claims from consumers not acknowledged as debts ₹**24.10 Lakh** (previous year ₹23.19 Lakh).
- vi) The revision of Trade Discount with the Oil Marketing Companies (OMCs) is pending from earlier years. In November 2021, The Ministry of Petroleum & Natural Gas (MoP&NG) issued guidelines pertaining to revised Trade Discounts and subsequently citing MoP&NG guideline, OMCs have raised their demand to the Company. However, the demand raised by OMCs is not as per the guidelines issued by the MoP&NG and hence the Company has contested the demand raised by OMCs. Further the Company has raised the matter to the MoP&NG vide its letter dated 30th December 2021, requesting their intervention and advised the OMCs to adhere to the guidance provided by the MoP&NG. Pending settlement, the liability is provided to the extent considered appropriate by the Company.
- vii) As per authorisation terms and conditions of the PNGRB for Raigad Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 (with reference to connections and pipeline inch Kilo Meters) and the Company had submitted Performance Bank Guarantee of ₹ 10,520.00 Lakh dated March 19, 2015, to the PNGRB. Show cause notice dated July 23, 2018, was given by the PNGRB for shortfall in periodic MWP, asking the Company to explain why penalty should not be levied for the interim MWP target shortfall. The Company submitted catch up plan vide letter dated August 2, 2018, and revised catch up plan vide letter dated November 15, 2019, was submitted to PNGRB seeking extension till September 30, 2021. Post outbreak of COVID-19, the Company had requested PNGRB in April 2020 to extend the timeline for achieving the revised catch-up plan for MWP of Inch-Kms till March 31, 2022. The PNGRB, sought information on COVID-19 lockdown in July 2020 from the City Gas Distribution companies and has issued public notice dated November 5, 2020, extending the MWP timeline due to COVID-19 lockdown for various Geographical areas, where extension of 251 days for Raigad was granted. The Company has appraised PNGRB vide letter dated February 9, 2021, with ground level challenges faced in Raigad and has requested for extension up to March 2022. The Company had already achieved the cumulative number of Domestic connections as per PNGRB MWP target as of March 31, 2020, and inch km targets in January 2022 and accordingly, no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB.
- viii) The Company has electricity connection provided by Maharashtra State Electricity Distribution Company Limited (MSEDCL) at certain CNG Retail Outlets. MSEDCL has issued a circular dated 1st December 2021 to all its local offices for application of Commercial tariff in place of Industrial tariff for electricity consumed for compression activity at the CNG retail outlet with retrospective effect from the August 2012. Accordingly, MSEDCL has raised bills for few CNG retail outlets along with arrears towards difference between Commercial and Industrial tariff. The Company has disputed the matter and has filed a petition on 13th January 2022, with Maharashtra Electricity Regulatory Commission (MERC) challenging the circular issued by MSEDCL. MERC vide its order dated 18th January 2022, has directed that till the matter is finally heard and decided by the MERC, MSEDCL shall desist from taking any coercive action against the Company and continue to supply electricity. Company has obtained a legal opinion for such demand and basis the legal opinion received, believes that it has a strong case and does not expect any outflow of resources.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.10 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are as follows:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year		
	a) Trade Payables	1,809.71	1,797.15
	b) Payables for purchase of property, plant and equipment	4,913.08	4,172.18
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro enterprises and Small enterprises has been determined based on information available with the company. This has been relied upon by the auditors.

## 30.11 Payments to Auditor (included in Miscellaneous Expenses under note 28).

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. For Audit (inclusive of taxes)	61.71	56.05
b. Reimbursement of expenses	0.17	0.23



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.12 Ratio Analysis

Ratio	Numerator	Denominator	UoM	March 31, 2022	March 31, 2021	% Variance	Reason for Variance*
Current Ratio	Current Assets	Current Liabilities	No. of Times	1.39	1.58	12%	
Return on Equity	Net Profit after taxes	Average Shareholder's Equity	%	17.5%	20.0%	13%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	No. of Times	3,869	1,912	102%	Note - i
Trade Receivables turnover ratio	Net Credit Sales of natural gas	Average Accounts Receivable (Incl. unbilled revenue)	No. of Times	13.96	12.61	11%	
Trade payables turnover ratio	Net Credit Purchases and all Operating Expenses *	Average Trade Payables	No. of Times	13.84	9.76	42%	Note - ii
Net capital turnover ratio	Net Sales of natural gas	Working Capital (Excl. SD from customers)	No. of Times	3.16	1.83	73%	Note - iii
Net profit ratio	Profit after tax	Net Sales of natural gas	%	15.5%	26.7%	42%	Note - iv
Return on capital employed	Earnings before interest and taxes	Capital Employed **	%	21.5%	24.7%	13%	
Return on investment	Interest on fixed deposit and Gain/loss on mutual fund	Investment in fixed deposit and mutual fund	%	4.38%	5.14%	15%	
Debt-Equity Ratio	Not Applicable. Since there are no borrowings in the company.						
Debt Service Coverage Ratio	Not Applicable. Since there are no borrowings in the company.						

\*Operating expenses include excise duty, employee benefits, others expenses.

\*\*Capital employed - Tangible Net worth + Deferred Tax Liability.

#Explanation provided for change in the ratio by more than 25% as compared to the ratio in the previous year.

### Notes: -

- i. In case of City Gas Distribution business inventory is mainly the quantity of gas which remains in the pipeline network. Increase in the value of inventory is a result of quantity of gas increase to the extent of increase in length of pipeline during the year and change in the price of gas at end of the year. During the year due to increase in sales volumes and gas purchase price cost of gas sold has increased substantially whereas correspondingly value of average inventory of gas has not increased, resulting in higher Inventory Turnover ratio.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.12 Ratio Analysis (Contd..)

- ii. Increase in the Trade Payable Turnover ratio is mainly due to 1) increase in level of activity during the current year, as previous year was having comparatively more impact due to COVID -19 and resultant lockdown, 2) value of gas purchase has increased due to increase in purchase prices and 3) with increase in level of activity direct expenses and other overheads have increased in the current year. There are no major variations with respect to number of days credit period compared to previous year.
- iii. Due to increase in volumes and sales prices, net sales of natural gas during the year have increased whereas working capital has decreases marginally, resulting in higher net capital turnover ratio.
- iv. Decrease in Net Profit Ratio in percentage terms is mainly due to increase in cost of gas and corresponding revision of sales prices to recover such increase in phased manner. Current year increase in gas cost was on account of requirement of more spot gas purchase due to shortage of government allocated gas and increase in spot prices due to global factors.

## 30.13 CSR Expenditure:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent by the company during the year	1,719.23	1,660.61
(b) Amount of expenditure incurred	857.61	1,121.68
(i) Construction/acquisition of any asset	Nil	Nil
(ii) On purposes other than (i) above	857.61	1,121.68
(c) Amount transferred to Unspent CSR a/c	861.62	538.93
(d) Shortfall at the end of the year	Nil	Nil
(e) Total of previous years shortfall	Nil	Nil
(f) Reason for shortfall	NA	NA

Nature of CSR activities – Health, Education, Empowerment, Skill Development, Rural development and others.

## 30.14 Revenue from contracts with customers:

### Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers (refer note 22):

(₹ in Lakh)

Type of goods or service	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Natural Gas (Including Excise Duty)	3,85,591.96	2,31,745.50
Sale of Pipes, Fittings and Other Materials	524.95	379.49
Other Operating Income	2,372.70	1,654.30
<b>Total revenue from Contract with Customers</b>	<b>3,88,489.61</b>	<b>2,33,779.29</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 30.14 Revenue from contracts with customers: (Contd..)

Sale of Natural gas is the main activity of city gas distribution business and other operating income is incidental to sale of natural gas. Other Operating Income includes significantly the compensation towards minimum contracted quantity for the respective billing period and application fee collected from customers. Sale of pipes, fittings and other material is revenue incidental to the activity of construction of pipeline network for own use for the purpose of sale and distribution of natural gas to customers. The company sells and distributes natural gas in India.

Sale of natural gas includes excise duty but excludes VAT collected from the customers on behalf of the Government.

All the revenue mentioned above are earned by transfer of goods or services at a point of time.

(₹ in Lakh)

Contract Balances	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade Receivables (refer note 4)	18,404.66	12,752.94
Unbilled Revenue (refer note 11)	6,296.71	4,563.67
Contract Liabilities (refer note 21)	2,427.92	2,253.99

Trade receivables are non-interest bearing and are generally on terms of 7 to 60 days. Contract liabilities are the advances paid by the customers against which supply of natural gas is to happen after the reporting date.

Revenue recognised out of amounts included in contract liabilities at the beginning of the year is ₹738.33 Lakh (previous year ₹835.35 Lakh). No amount recognised as revenue out of performance obligations satisfied fully or partially in previous year.

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per Contracted Price	3,88,500.60	2,33,791.26
ECS Discount	10.99	11.97
Revenue from Contract with Customers (refer note 22)	3,88,489.61	2,33,779.29

## Performance obligations

The Company earns revenues primarily from sale of natural gas. Revenue is recognised on supply of gas to customers by metered/assessed measurements. There are no goods return rights attached to the sale and hence no right of return liability or asset exists.

There are no performance obligations remaining to be satisfied as at reporting date for which transaction price has been allocated.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## **30.15 Other Statutory Information:**

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii. The Company does not have any transactions with companies struck off u/s 248 of Companies Act, 2013.
- iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or
  - b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
  - b. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

**30.16** The Board of Directors, at its meeting held on May 10, 2022, has proposed a final dividend of ₹ 15.50 per equity share of face value ₹10.00 each for the financial year ended March 31, 2022. This is in addition to the interim dividend of ₹9.50 per equity share paid during the year. With this, the total dividend for the year is ₹ 25.00 per equity share of face value ₹10.00 each. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a final dividend cash outflow of approximately ₹ 15,310.56 Lakh.

**30.17** The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020. However, the date on which the code will come into effect have not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the code when it comes into effect and will record any related impact in the period the code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

**30.18** Events after the reporting period - The company has evaluated subsequent events from the balance sheet date through May 10, 2022, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Reg.No.: 324982E/E300003

**Per Vikram Mehta**

Partner

Membership No: 105938

**Place : Mumbai**

**Date : May 10, 2022**

For and on behalf of the Board of Directors of

**Mahanagar Gas Limited**

**Sanjib Datta**

Managing Director

DIN: 07008785

**Rajesh Patel**

Chief Financial Officer

FCA No:048326

**Place : Mumbai**

**Date : May 10, 2022**

**Sanjay Shende**

Deputy Managing Director

DIN:09172642

**Atul Prabhu**

Company Secretary and

Compliance officer

ACS No:64051

# Abbreviations

ADR	:	American Depository Receipt
AMR	:	Automated Meter Reading
APM	:	Administered Pricing Mechanism
app	:	Application
ARS	:	Archival Retrieval System
B2B	:	Business-to-business
BCM	:	Billion Cubic Meters
BD	:	Business Development
BEST	:	Brihanmumbai Electric Supply & Transport
BIS	:	Business Information System
BMV	:	Balloon Mitral Valvotomy
BR	:	Business Responsibility
BSE	:	BSE Limited
C&P	:	Contracts & Procurement
CAGR	:	Compound Annual Growth Rate
CBG	:	Compressed Bio Gas
CCTV	:	Closed-Circuit Television
CDSL	:	Central Depository Services (India) Limited
CDU	:	Composite Dispensing Unit
CEA	:	Central Electricity Authority
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CGD	:	City Gas Distribution
CGS	:	City Gas Station
CIDCO	:	City & Industrial Development Corp. of Maharashtra Limited
CIN	:	Corporate Identity Number
CNG	:	Compressed Natural Gas
COVID 19	:	Coronavirus Disease 2019
CPCB	:	Central Pollution Control Board
CPMC	:	Corporate Project Monitoring Cell
CRM	:	Customer Relationship Management
CRO	:	Chief Risk Officer
CSR	:	Corporate Social Responsibility
CSRL	:	Centre For Social Responsibility and Leadership
CTV	:	CNG Transport Vehicles
CWIP	:	Capital Work in Progress
CY	:	Current Year
D3D	:	Direct Three Dimensional
DBS	:	Daughter Booster Station
DDT	:	Defensive Driving Training

DFFT	:	Domestic Funding of Foreign Training
DG	:	Diesel Generator
DGPS	:	Differential Global Positioning System
DIN	:	Director Identification Number
DISH	:	Directorate of Industrial Safety and Health
DPIIT	:	Department for Promotion of Industry and Internal Trade
DPNG	:	Domestic Piped Natural Gas
DRS	:	District Regulating Station
E&P	:	Exploration & Production
EBIT	:	Earnings before Interest and Taxes
EBITDA	:	Earnings before Interest, Taxes, Depreciation, and Amortization
ECG	:	Electrocardiogram
EMDE	:	Emerging Markets & Developing economies
EMS	:	Environmental Management System
EPS	:	Earnings Per Share
ERDMP	:	Emergency Response and Disaster Management Plan
ERM	:	Enterprise Risk Management
ERP	:	Enterprise Resource Planning
ESG	:	Environmental Social and Governance
EU	:	European Union
EV	:	Electric Vehicle
FDI	:	Foreign Director Investment
FEMA	:	Foreign Exchange Management Act
FLIR	:	Forward Looking InfraRed
FO/LDO	:	Furnace Oil/ Light Diesel Oil
FY	:	Financial Year
GA	:	Geographical Area
GAIL	:	GAIL (India) Limited
GDP	:	Gross Domestic Product
GDR	:	Global Depository Receipt
GGL	:	Gujarat Gas Limited
GI	:	Galvanised Iron
GIS	:	Geographical Information System
GOM	:	Government of Maharashtra
GPRS	:	General Packet Radio Service
GSM	:	Global System for Mobile Communications
GSR	:	General Statutory Rules
GTA	:	Gas Transmission Agreement
HDPE	:	High Density Polyethylene
HELP	:	Hydrocarbon Exploration Licensing Policy
HGV	:	Heavy Goods Vehicle
HPCL	:	Hindustan Petroleum Corporation Limited
HSE/ HS&E	:	Health, Safety and Environment

I&C	:	Industrial and Commercial
ICC	:	Internal Complaint Committee
ICU	:	Intensive Care Unit
IEA	:	International Energy Agency
IEPF	:	Investor Education and Protection Fund
IFC	:	Internal Financial Control
IGBT	:	Insulated Gate Bipolar Transistor
IGL	:	Indraprastha Gas Limited
IICA	:	Indian Institute of Corporate Affairs
IMF	:	International Monetary Fund
INR	:	Indian rupee
iOS	:	iPhone Operating System
ISO	:	International Organization for Standardization
ITI	:	Industrial Training Institute
IVMS	:	In-Vehicle Monitoring System
JNPT	:	Jawaharlal Nehru Port Trust
KG	:	Kilogram
KM	:	Kilometer
KMP	:	Key Managerial Personnel
KPI	:	Key Performance Indices
KW	:	Kilowatt
LCV	:	Light Commercial Vehicle
LMC	:	Last Mile Connectivity
LNG	:	Liquefied Natural Gas
LODR	:	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
LOI	:	Letter of Intent
LoRa	:	Long Range Radio
LPG	:	Liquefied Petroleum Gas
M&HCV	:	Medium & Heavy Commercial Vehicle
MARG	:	Mutual Aid Response Group
MCA	:	Ministry of Corporate Affairs
MCC	:	Master Control Centre
MD	:	Managing Director
MD&A	:	Management Discussion and Analysis
MDPE	:	Medium-Density Poly-Ethylene
MEW	:	Mobile Enterprise Web
MGL	:	Mahanagar Gas Limited
MGV	:	Medium Goods Vehicle
MIDC	:	Maharashtra Industrial Development Corporation
MLC	:	Multi Layered Composite
MMBTU	:	Metric Million British Thermal Unit
MMRDA	:	Mumbai Metropolitan Region Development Authority
MMSCM	:	Million Metric Standard Cubic Meters
MMSCMD	:	Million Metric Standard Cubic Meter Per Day
MMT	:	Million Metric Tonnes



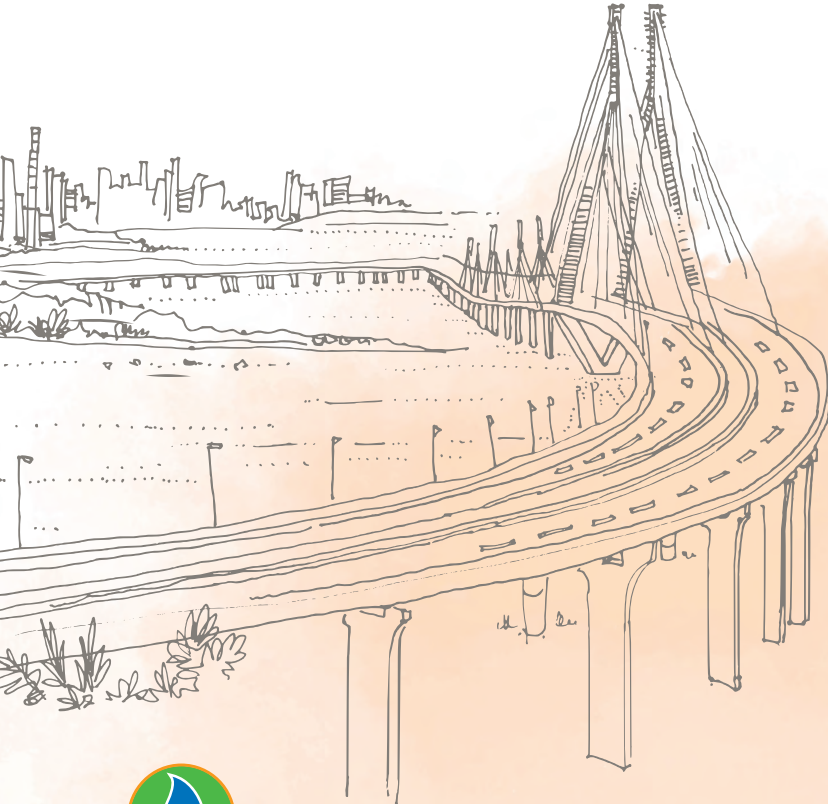
MoPNG	:	Ministry of petroleum and Natural Gas
MP	:	Medium Pressure
MPCB	:	Maharashtra Pollution Control Board
MSME	:	Micro, Small & Medium Enterprises
MSRTC	:	Maharashtra State Road Transport Corporation
MWP	:	Minimum Work Program
NBFC	:	Non-Banking Financial Company
NDR	:	National Data Repository
NG	:	Natural Gas
NGMC	:	National Gas Management Centre
NGO	:	Non-Governmental Organization
NIFTY	:	National Stock Exchange Fifty
NMMT	:	Navi Mumbai Municipal Transport
NRC	:	Nomination and Remuneration Committee
NSDL	:	National Securities Depository Limited
NSE	:	National Stock Exchange of India Limited
O&M	:	Operations and Maintenance
OAVM	:	Other Audio Visual Means
OEM	:	Original Equipment Manufacturers
OMCs	:	Oil Marketing Companies
ONGC	:	Oil and Natural Gas Corporation
PAT	:	Profit After Tax
PBT	:	Profit Before Tax
PE	:	Poly-Ethylene
PESO	:	Petroleum And Explosives Safety Organisation
PLI	:	Production Linked Incentives
PNG	:	Piped Natural Gas
PNGRB	:	Petroleum and Natural Gas Regulatory Board
POSH Act	:	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
PPAC	:	Petroleum Planning & Analysis Cell
PPE	:	Personal Protective Equipment
PSC	:	Production Sharing Contracts
PSU	:	Public Sector Undertaking
R&D	:	Research and development
RBI	:	Reserve Bank of India
RCC	:	Reinforced Cement Concrete
RCM	:	Risk Control Matrix
RLNG	:	Regasified Liquefied Natural Gas
RMC	:	Risk Management Committee
ROC	:	Registrar of Companies
ROCE	:	Return on Capital Employed
ROE	:	Return on Equity
ROI	:	Return on Investment
RPA	:	Robotic Process Automation
RPD	:	Rotary Positive Displacement

RPT	:	Related Party Transaction
RTA	:	Registrar and Share Transfer Agent
RTGS	:	Real Time Gross Settlement
SAMPADA	:	Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters
SAP	:	Systems, Applications & Products in Data Processing
SATAT	:	Sustainable Alternative Towards Affordable Transportation
SCADA	:	Supervisory Control And Data Acquisition
SCEP	:	US-India Strategic Clean Energy Partnership
SCMD	:	Standard Cubic Meters per Day
SCRA	:	Securities Contracts (Regulation) Act, 1956
SCV	:	Small Commercial Vehicle
SEBI	:	Securities and Exchange Board of India
SEEPZ	:	Santacruz Electronics Export Processing Zone
SENSEX	:	Stock Exchange Sensitive Index
SEZ	:	Special Economic Zone
SHG	:	Self-Help Group
SMG	:	Strategic Management Group
SMS	:	Short Message Service
SOP	:	Standard Operating Procedure
SPCB	:	State Pollution Control Board
SR	:	Service Regulators
SRC	:	Stakeholders Relationship Committee
SRM	:	Supplier Relationship Management
STC	:	Safety & Technical Competency
STU	:	State Transport Undertaking
SVP	:	Senior Vice President
TAPI	:	Turkmenistan-Afghanistan-Pakistan-India Pipeline
TCO	:	Total Cost of Ownership
TMT	:	Thane Municipal Corporation Transport Service
UDW	:	Ultra Deep Water
UK	:	United Kingdom
US	:	United States of America
USD	:	United States Dollar
UT	:	Union Territory
VC	:	Video Conferencing
VP	:	Vice President
VTS	:	Vehicle Tracking Systems
WAF	:	Web Application Firewall
WaH	:	Work at Height
WFH	:	Work From Home
WPWP	:	Work Plan and Work Progress













**MAHANAGAR  
GAS**

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