



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2021/405

Date: September 04, 2021

To,

Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Script Code/Symbol: <u>539957; MGL</u>	Head, Listing Compliance Department National Stock Exchange of India Ltd Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: <u>MGL</u>
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Sub: Submission of Notice of the 26th Annual General Meeting of the Company and Annual Report for FY 2020-21

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we submit herewith the Notice of the 26th Annual General Meeting of the Company scheduled to be held on Tuesday, September 28, 2021 at 11:00 a.m. (IST) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) as well as Annual Report for the Financial Year 2020-21.

You are requested to take the above information on records and disseminate the same on your website.

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 | E-mail: info@mahanagargas.com | Tel No. +91 22 6678 5000

To,

The Members

NOTICE is hereby given that the **Twenty-Sixth Annual General Meeting** (AGM) of the Members of Mahanagar Gas Limited will be held on Tuesday, September 28, 2021 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:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹9.00 per equity share, already paid and to declare the final dividend of ₹14 per equity share for the financial year ended on March 31, 2021.
3. To appoint a Director in place of Mr. Manoj Jain (DIN: 07556033), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Alteration of Articles of Association of the Company.**

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent

of the members of the Company be and is hereby accorded for the alteration of Articles of Association of the Company, as per annexure of the Notice convening the Annual General Meeting, adoption, substitution and superseding the existing set of Articles of Association of the Company;

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to the above resolution."

5. **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 Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of Companies Act, 2013, the remuneration of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) excluding out of pocket expenses to be reimbursed at actuals up to ₹25,000/- plus applicable taxes payable to M/s. Dhananjay Joshi & Associates, Cost Accountants (Registration No. 30) for conducting Cost Audit of the Company for the financial year 2021-22 as approved by the Board of Directors of the Company, be and is hereby ratified;

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

NOTICE

6. 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, and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable statutory laws, consent of the Shareholders of the Company be and is hereby accorded for entering into the Material Related Party Transactions as per the details provided in the table appended below:

NAME OF THE RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	MAXIMUM VALUE OF TRANSACTIONS
GAIL (India) Limited	Promoter	Agreements entered/ to be entered for purchase and transportation of Domestic Gas and Spot/ Term RLNG.	₹ 2,300 crores (for the Financial Year ending on March 31, 2023)

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to take such steps as may be necessary, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to the above resolution.”

7. Re-appointment of Mr. Syed S. Hussain (DIN: 00209117) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Syed S. Hussain (DIN: 00209117), who was re-appointed as an Independent Director of the Company, by the Board of Directors with effect from September 09, 2022 and who has submitted a declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term commencing from September 09, 2022 up to September 08, 2025 (both days inclusive);

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the above resolution.”

8. Appointment of Mr. Sanjay Shende (DIN: 09172642) as Director.

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 196, 197, 198, 203 read with Schedule

V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act 2013 and SEBI (Listing Regulations and Disclosure Requirements Regulations) Regulations, 2015 (including any statutory modifications or reenactment(s) thereof, for the time being in force), the Articles of Association of the Company and subject to such other consents and permission as may be necessary, and such modifications, variations as may be approved and acceptable to the appointee, the consent of the members be and is hereby accorded for the appointment and terms and conditions of remuneration of Mr. Sanjay Shende (DIN: 09172642) as the Whole-Time Director designated as the Deputy Managing Director of the Company with effect from May 24, 2021 until further orders from GAIL (India) Limited (GAIL), for a term not exceeding 5 years at a time and in compliance with the provisions of the Companies Act, 2013 and on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) during the tenure of his appointment as forwarded by GAIL vide its letter dated May 17, 2021 and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings;

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to do all the acts and take all such steps as may be necessary to give effect to the above resolution.

9. **Appointment of Mr. Baldev Singh (DIN: 03577274) as Non-Executive Director.**

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 Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and rules made thereunder (including and statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Baldev Singh (DIN: 03577274), who was appointed as an Additional Director (Non-Executive) of the Company, by the Board of Directors with effect from April 28, 2021 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as a Non-Executive Director of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company, be and is hereby authorized to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

10. **To pay Commission to Independent Directors.**

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 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“hereinafter referred to as the “Act”), Articles of Association of the Company, as amended from time to time, and such other statutory approvals as may be necessary, approval of the Members be and is hereby accorded for payment

NOTICE

of commission, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/ or Committees thereof, to the Independent Director(s) of the Company, who are neither in the whole time employment of the Company nor as Managing Director/Whole Time Director, at a rate not exceeding one percent (1%) per annum of the net profits of the Company in each year calculated in accordance with relevant provisions of the Act, as the Board may from time to time fix in that behalf and the same to be divided amongst them in such manner as the Board may, from time to time, determine, for a period of five years commencing from the financial year 2021-22;

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to take such steps as may be necessary, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to the above resolution.”

11. Appointment of Ms. Malvika Sinha (DIN: 08373142), as the Independent Director

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Ms. Malvika Sinha (DIN: 08373142), who was appointed as an Additional

Director (Independent Category) of the Company, by the Board of Directors with effect from August 24, 2021 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria prescribed for Independent Director under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 3 (Three) consecutive years i.e. from August 24, 2021 up to August 23, 2024 (both days inclusive);

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

12. Appointment of Mr. Rajeev Bhaskar Sahi (DIN: 06662067), as the Independent Director

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the

time being in force) and Articles of Association of the Company, Mr. Rajeev Bhaskar Sahi (DIN: 06662067), who was appointed as an Additional Director (Independent Category) of the Company, by the Board of Directors with effect from August 24, 2021 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria prescribed for Independent Director under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 3 (Three) consecutive years i.e. from August 24, 2021 up to August 23, 2024 (both days inclusive);

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution."

13. Appointment of Mr. Venkatraman Srinivasan (DIN: 00246012), as the Independent Director

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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mr. Venkatraman Srinivasan (DIN: 00246012), who was appointed as an Additional Director (Independent Category) of the Company, by the Board of Directors with effect from August 24, 2021 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria prescribed for Independent Director under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and as recommended by the Nomination and Remuneration Committee and Board of Directors in their meetings, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 3 (Three) consecutive years i.e. from August 24, 2021 up to August 23, 2024 (both days inclusive);

RESOLVED FURTHER THAT the Company Secretary and Compliance Officer of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution."

By Order of the Board
For Mahanagar Gas Limited

Place: Mumbai
Date: July 28, 2021

Sd/-
Atul Prabhu
Company Secretary &
Compliance Officer

NOTICE

Notes:

1. In view of continuing restrictions on the movements of persons at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 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 2021. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 26th AGM of the Company shall be conducted through VC/OAVM. National Securities Depository Limited ('NSDL') 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 at Note No. 28 below and is also available on the website of the Company at 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. As 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 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 113 of the Companies Act, 2013, at 26thagm@mahanagargas.com. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (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 5th May, 2020 and General Circular No. 2/2021 dated 13th January, 2021 issued by MCA, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 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 2020-21, is available on the website of the Company at 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 NSDL at www.evoting.nsdl.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 to 10 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "SEBI LODR") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries

of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.

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 Members will be able to view the live proceedings on the National Securities Depository Limited’s (‘NSDL’) e-Voting website at www.evoting.nsdl.com. 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 Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to 26thagm@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. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by NSDL.

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 “SEBI LODR” all the shareholders who continue to hold shares in physical form are advised to get the shares dematerialized as it is mandated that transfer of securities would be carried out in dematerialized form only. The investors are requested to contact 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 Agents of the Company in case the shares are held by them in physical form.

NOTICE

14. The Board of Directors, in its meeting held on February 09, 2021, had declared an Interim Dividend of ₹9/- per equity Share of the face value of ₹10/- each, on the paid-up Equity Share Capital of the Company, for the Financial Year 2020-2021 and was paid on March 03, 2021 to all eligible shareholders as on record date i.e. February 22, 2021.
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 Tuesday, September 21, 2021 to Tuesday, September 28, 2021 (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 at the close of business hours on Monday, September 20, 2021.
 - (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 Monday, September 20, 2021.
17. The Final Dividend for the financial year ended March 31, 2021, as recommended by the Board, if approved at the AGM, will be paid within 30 days from the date of the 26th Annual General Meeting to those Members whose name appears in the Register of Members of the Company as on Monday, September 20, 2021.
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 Agents (in case of shares held in physical mode) and depositories (in case of shares held in dematerialized mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to mgldividend@linkintime.co.in or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Monday, September 13, 2021 by 11:59 p.m. (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a prescribed rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an e-mail to mgldividend@linkintime.co.in or update the same by visiting the link : <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by the shareholders on or before Monday, September 13, 2021 by 11:59 p.m. (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

Notes:

(i) Duly completed and signed documents should be provided to the Company/ RTA. Incomplete and/ or unsigned forms and declarations will not be considered by the Company. Further, in case, where copy of documents (such as PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. For all documents being uploaded by the Member, the Member shall undertake to send the original document(s) on the request of the Company.

(ii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Monday, September 13, 2021 by 11:59 P.M. (IST) to enable the Company to determine the applicable TDS rate.

Any communication in relation to tax rate determination/ deduction received after above timelines shall not be considered.

It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

(iii) Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form, as on the Record Date and other documents available with the Company/ RTA. Shareholders holding shares under multiple accounts under different residential status/ category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will

be considered for their entire shareholding under different accounts.

(iv) In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at higher rate as applicable, without any further communication in this regard.

(v) In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.

(vi) You will be able to view the credit of TDS in Form 26AS, which can be downloaded from your e-filing income tax portal at <https://www.incometaxindiaefiling.gov.in/home>

(vii) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any tax proceedings.

(viii) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

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.

NOTICE

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://linkintime.co.in/emailreg/email_register.html, in case of shares held in physical mode, on or before Monday, September 20, 2021.
21. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Twenty-Sixth AGM.
22. 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.
23. Shareholders are requested to send their share transfer and all other requests and complaints to Link Intime India Private Limited (Registrar and Share Transfer Agents (RTA) of the Company) at the following address:

C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai - 400083, Maharashtra.
24. 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.
25. 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.
26. 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.
27. 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 Monday, September 20, 2021 by visiting the link https://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. 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 evoting@nsdl.co.in 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 provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

28. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- (i) Members will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- (ii) Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches.
- (iii) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at this AGM, from their registered

NOTICE

e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at 26thagm@mahanagargas.com on or before 3.00 p.m. (IST) on Monday, September 20, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

- (iv) Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at 26thagm@mahanagargas.com between Friday, September 17, 2021 (9.00 a.m. IST) and Monday, September 20, 2021 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (v) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call on toll free no.: 1800-222-990 1800 1020 990 /1800 224 430 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in or call on +91 22 24994360 or contact Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in or

call on 022-24994545.

B. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Friday, September 24, 2021 at 09:00 A.M. (IST) and ends on Monday, September 27, 2021 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 20, 2021, may cast their vote electronically. 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, being Monday, September 20, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>

NOTICE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL 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. NSDL and CDSL.

Login type	Helpdesk details
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

NOTICE

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ucshukla@rediffmail.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 (26thagm@mahanagargas.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to 26thagm@mahanagargas.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

GENERAL INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned

above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

GENERAL INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

NOTICE

4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at 26thagm@mahangargas.com on or before 03.00 p.m. (IST) on Monday, September 20, 2021. The same will be replied by the appropriately responded by the Company.

General Guidelines for shareholders :

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ucshukla@rediffmail.com with a copy marked to evoting@nsdl.co.in.
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. September 20, 2021, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Company/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com** or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the record date i.e. September 20, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

3. Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in.

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

Item No. 4

The Promoters of the Company namely GAIL (India) Limited had entered into Joint Venture Agreement dated September 12, 2018 (the "JVA") with BG Asia Pacific Holdings Pte. Limited ("BG Asia"). BG Asia Pacific Holdings Pte. Limited ceased to be the Promoter of the Company and divested its shareholding in the Company on August 20, 2019. Consequent upon divestment by BG Asia, the Articles enumerated in the existing Articles of Association are also required to be suitably altered.

Further, it is proposed to allow the Chairman of the Meeting of Board of Directors (including Committees thereof, duly constituted from time to time) and Chairman of the General Meetings the right of Second or Casting Vote in the event of equality of votes in favour of or against a Resolution. Second or casting vote is different from the original vote of the Chairman as a Director and it can be exercised only after the process of voting has been completed.

Hence, it is considered desirable to adopt the new set of Articles of Association considering the alteration / modifications as mentioned above.

A copy of the existing and proposed new set of Articles of Association to be adopted as per Annexure to the Notice convening Annual General Meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), alteration of Articles of Association requires approval of the Members of the Company by way of passing a Special Resolution and accordingly, the approval of the members is being sought for the adoption of the New Articles of Association.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Manoj Jain, Chairman, Mr. Sanjib Datta, Managing Director

and Mr. Sanjay Shende, Deputy Managing Director (Nominee Directors of GAIL) and/ or their relatives, are in any way, concerned or interested financially or otherwise, in the said resolution.

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

Item No. 5

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 May 24, 2021, had approved the appointment of M/s. Dhananjay V Joshi & Associates, Cost Accountants (Registration No. 30) to conduct audit of cost records of the Company for the financial year 2021-2022 at a remuneration of ₹2,50,000/- (excluding out of pocket expenses at actuals to be reimbursed up to ₹25,000/-) plus taxes as applicable, subject to ratification of remuneration by the shareholders.

M/s. Dhananjay V Joshi & 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, consent of the members is being sought for the proposal of ratification of remuneration payable to the Cost Auditors, as set out in Item no. 5 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

NOTICE

otherwise in the said resolution at Item No. 5 of the Notice.

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

Item No. 6

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 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. Further, calculating the amount of gas to be purchased from individual gas suppliers may not be possible. In this regard, an estimated amount of gas to be purchased from all the parties is ascertained and submitted for the approval of the 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 ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. 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, as per details set out below, is in ordinary course of business and at arm's length price and it being material in nature, per se, the same requires approval of the unrelated shareholders of the Company by an Ordinary resolution.

Name of the Related Party	Relationship	Nature of Transaction	Maximum Value of Transactions
GAIL (India) Limited	Promoter	Agreements entered/ to be entered for purchase and transportation of Domestic Gas and Spot/ Term RLNG.	₹2,300 crore (for the Financial Year ending on March 31, 2023)

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;	GAIL (India) Limited, Promoter
2	Name of the Director or Key Managerial Personnel, who is related.	Mr. Manoj Jain, Chairman Mr. Sanjib Datta, Managing Director Mr. Sanjay Shende, Deputy Managing Director
3	The nature, duration 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> <p>A. <u>Details of existing contracts entered with GAIL are as follows:</u></p> <p>1. <u>APM Agreement (Administered Price Mechanism)</u></p> <ul style="list-style-type: none"> • Nature: Long Term Gas Sales and Transportation Contract. • Duration: June 05, 2009 - March 31, 2021. Expected to be renewed/extended. <p>2. <u>Non-APM (for CNG-Transport & PNG-Domestic Segment) Term Sheet</u></p> <ul style="list-style-type: none"> • Nature: Term Sheet • Duration: August 16, 2017 - July 06, 2021. Expected to be renewed/extended. <p>3. <u>SPOT RLNG Contracts (Spot Gas Sale Agreement)</u></p> <ul style="list-style-type: none"> • Nature: Short Term Spot Gas Sales Agreement. • Date of signing the agreement: November 29, 2010. • Existing agreement valid till July 31, 2021. Expected to be renewed/extended. <p>4. <u>Gas Transmission Agreement</u></p> <ul style="list-style-type: none"> • GTA dated January 02, 2008. • Duration: January 02, 2008 till January 01, 2033.

NOTICE

		<p>5. Term RLNG Contract (subject to finalisation)</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) with GAIL not exceeding the monetary limits as mentioned in the notice of Annual General Meeting, Subject to approval of Shareholders.</p>
4	The material terms of the contract or arrangement including the value, if any;	<p>Purchase of Domestic Gas from GAIL is through Domestic 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>
5	Any advance paid or received for the contract or arrangement, if any;	NA
6	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>GAIL</p> <ol style="list-style-type: none"> 1. APM <ul style="list-style-type: none"> • As per Article 10 of APM GSTC, subsequent Domestic Natural Gas Pricing Guidelines issued by MoPNG and Pricing orders/ amendments from PPAC 2. Non-APM (CNG-Transport & PNG-Domestic) <ul style="list-style-type: none"> • As per clause 16 of the Term Sheet 3. SPOT RLNG <ul style="list-style-type: none"> • As per Article 9 of Spot GSA. 4. GTA <ul style="list-style-type: none"> • According to the tariff orders of PNGRB 5. Term RLNG Contract (subject to finalisation)
7	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

8	Any other information relevant or important for the Board to take a decision on the proposed transaction.	--
9	Actual / Estimated Value of Transaction (for which approval sought)	₹2,300 Crores (for the FY Ending on March 31, 2023)*

*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 February 09, 2021.

The Board of Directors therefore recommends the resolution as set out in Item No. 6 of the Notice for approval of shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Manoj Jain, Chairman, Mr. Sanjib Datta, Managing Director and Mr. Sanjay Shende, Deputy Managing Director (Nominees of GAIL) and/ 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. 6 of this Notice for approval of the Members.

Item No. 7

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Syed Shahzad Hussain (DIN: 00209117) as an Independent Director of the Company, for a second term commencing from

September 09, 2022 upto September 08, 2025 (both days inclusive), subject to approval of members at the general meeting. The Company has received a notice in writing from a member, proposing his candidature for the office of Director.

Mr. Syed S. Hussain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and has given his consent to act as a Director. The Company has received a declaration from Mr. Syed S. Hussain to the effect that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations").

In the opinion of the Board, Mr. Syed S. Hussain fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Brief Profile of Mr. Syed S. Hussain

Mr. Syed S. Hussain graduated in B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. He completed his M.Sc. in Admin Sciences & Development Problems from York University, UK. He also completed course on Health Sector and Sustenance at World Bank, Washington D.C., U.S. and also did Short Term training program on infrastructure in market economy (Public-Private Partnership Project) in changing world, J.F. Kennedy Business School, Harvard University, Boston, U.S. He belongs to 1973 batch of Indian Revenue Service

NOTICE

(IRS) and 1976 batch of Indian Administrative Service (IAS), Maharashtra cadre. Mr. Syed S. Hussain retired as Vice-Chairman and Managing Director of City & Industrial Development Corp. of Maharashtra Ltd. (CIDCO). He has worked as Chairman of JNPT and Joint Managing Director of CIDCO.

Prior to taking over the charge of Additional Chief Secretary, Government of Maharashtra, he has held the posts of Principal Secretary of Public Health, Revenue, Forest and Rural Development departments. He was also the CEO of Zilla Parishad, Nagpur and District Collector & Magistrate, Latur and Nasik, Maharashtra.

Mr. Syed S. Hussain was awarded with "Business Leader of the year - Ports" award at Leadership & Excellence Awards Shipping, Marine & Ports 2010 and also bestowed with "Maritime Gateway - Major Port of the year" Award consecutively for two years during his tenure as Chairman of JNPT.

Mr. Syed S. Hussain is on the Board of Mahanagar Gas Limited since September 09, 2019. He has also actively contributed as a member of Committees of the Board in various activities of the Company.

The details of Mr. Syed S. Hussain as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the Annexure to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Syed S. Hussain as an Independent Director is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Syed S. Hussain and/ or his relatives, are, in any way, concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 7 of this Notice for approval of the Members.

Item No. 8

The Board of Directors at its meeting held on May 24, 2021 appointed Mr. Sanjay Shende (DIN: 09172642) as an Additional Director with effect from May 24, 2021. As per the provisions of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sanjay Shende holds office upto the date of this Annual General Meeting and is eligible for appointment as Director of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for appointment as a Director of the Company.

The Board of Directors also approved the terms and conditions of appointment including remuneration as Whole-Time Director, designated as Deputy Managing Director of the Company for the period from May 24, 2021 until further orders from GAIL, but not exceeding the period of five years at a time, subject to approval of shareholders. It is proposed to appoint Mr. Sanjay Shende, Whole-Time Director, designated as Deputy Managing Director in terms of Articles of Association of the Company. In terms of Schedule V of the Companies Act, 2013, the appointment and remuneration of Whole-Time Director, designated as Deputy Managing Director is recommended by the Nomination & Remuneration Committee of the Company and the Board of Directors.

Brief Profile of Mr. Sanjay Shende

Mr. Sanjay Shende 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, from 2000 onwards, 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 has been heading GAIL's Hyderabad zonal office looking after the marketing activities for GAIL as well as boundary management in Andhra Pradesh and Telangana.

Prior to joining GAIL, he worked at Hindustan Petroleum Corporation Limited and Indian Petrochemicals Corporation Limited.

The principal terms and conditions of Mr. Sanjay Shende appointment as Whole-Time Director, designated as Deputy Managing Director as received from GAIL are as follows:

a) **Pay Scale:** ₹1,20,000/- to 2,80,000/- (E-8 Grade)

Sl. No.	Components	Amount (₹)
1	Basic Pay per month	2,17,440.00
2	Variable DA (18.4% w.e.f. 01.04.2020) per month	40,008.96
3	Perquisites and allowances (LTC, Holiday Home, CEA, Transport allowance for performing official work at residence, house upkeep allowance, Transport Allowance, Fitness allowance etc.) under "Cafeteria approach" limited @ 35% of Basic Pay per month	76,104.00
4	Secondment allowance per month	8,000.00
5	HRA @ 24% of Basic Pay per month	52,185.60

- b) **Variable DA:** VDA shown is subject to change every quarter. Annual increment @ 3% for Basic Pay. On reaching the maximum of the Pay scale, maximum 03 stagnation increments are admissible, one after every two years, provided the performance rating of the executive is "Good" or above.
- c) **Housing:** HRA or Company owned accommodation at AGVC, New Delhi, and maintaining own accommodation at Hyderabad i.e. at his previous place of posting.
- d) **Company Car and Telephone:** Necessary provision for transport and telephone may be made by MGL or vehicle/ conveyance maintenance charge @ 17,887/- (revised w.e.f. 01.04.2021) is to be reimbursed monthly (at the rate notified by GAIL on half yearly basis) along with wages of Driver @ ₹23,540/- p.m.
- e) **Other Benefits outside "Cafeteria Approach":** Shri Shende is entitled to reimbursement of cost of Spectacles and Medical Reimbursement for self and Dependent Family members, Brief case, Newspaper reimbursement, Leave Encashment etc. as per GAIL Rules which will be borne by Mahanagar Gas Limited. In addition to above, he is entitled for incentive under performance related pay (PRP) as per GAIL Rules.
- f) **Superannuation Benefits:** Superannuation benefits are extended to Shri Shende within the ceiling of 30% of Basic Pay & VDA comprising of Provident Fund (PF), Gratuity, Post-Retirement Medical Scheme (PRMS) and Pension.
- g) The terms and conditions pertaining to the appointment of Mr. Sanjay Shende and payment of remuneration shall vary as per conditions of his employment with GAIL.
- h) Mr. Sanjay Shende would be provided with Mobile and internet expenses etc., on actual basis and all the necessary office equipment such as laptop, IPAD/ TAB with sim card, mobile phone with sim card, data card etc. with similar entitlement as

NOTICE

for M-7 grade employees of the Company. He will also be entitled for phone, broadband facility, etc. at his residence (personal international calls to be billed separately). Further, Company will also provide him suitable Car viz. Honda-BRV, along with driver (as per the Company's Policy), Petrol max. up to 30 Litres p.m. (payment will be made on actual consumption basis), CNG (Unlimited), Vehicle upkeep Allowance - as for M-7 grade employees of the Company.

- i) Mr. Sanjay Shende shall also be provided with non-monetary mementos/ greetings/ souvenir/ ex-gratia on achieving certain milestones and on significant events and occasions by the Company so as to formally recognize the contribution similar to other directors. The monetary value of such memento, souvenir shall not exceed ₹1,00,000/- (Rupees One lakh only) every financial year, which shall form part of the remuneration.

The details of Mr. Sanjay Shende as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the "Annexure" to the Notice.

Mr. Sanjay Shende is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Whole-Time Director, designated as Deputy Managing Director of the Company.

Mr. Sanjay Shende satisfies all the conditions as set out in Section 196 (3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

It is proposed to seek the Member's approval for the appointment of and remuneration payable to Mr. Sanjay Shende as Whole-Time Director, designated as Deputy Managing Director, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and

conditions of appointment of Mr. Sanjay Shende as Whole-Time Director, designated as Deputy Managing Director of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Sanjay Shende and/ or his 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. 8 of this Notice for approval of the Members.

Item No. 9

Based on the recommendation of Nomination and Remuneration Committee, Mr. Baldev Singh, nominated by Government of Maharashtra, was appointed by the Board of Directors, as an Additional Director of the Company effective from April 28, 2021. As per provisions of Section 161 (1) of the Companies Act, 2013, he holds the office of Directorship till the conclusion of this Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for appointment as a Director of the Company.

Brief Profile of Mr. Baldev Singh

Mr. Baldev Harpal 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 has been recently appointed 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.

The details of Mr. Baldev Singh as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the "Annexure" to the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Baldev Singh and/ or his 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. 9 of this Notice for approval of the Members.

Item No: 10

The Non-Executive Independent Directors of your Company play a vital role in independent functioning of the Company. They bring with them external and wider perspective to the decision making by the Board. These Non-Executive Independent Directors also bring with them significant professional expertise and very vast & rich experience across a wide spectrum of functional areas such as engineering & technology, corporate strategy, information systems and finance. They provide strategic and transparent guidance and able leadership while forming objective judgment. The responsibilities and obligation cast on them have multiplied significantly these days due to various factors such as growth in the activities of the Company and rapid evolution arising out of legal and regulatory provisions and requirements. The Members of the Company in their Annual General Meeting held on September 26, 2016 approved for payment of Commission to the Non-Executive Directors Independent Directors for a period of five years commencing from Financial Year 2016-17 and

which shall not exceed 1% of the net profits of the Company in any Financial Year.

Thus the aforesaid approval is upto Financial Year 2020-21 and now fresh approval is proposed to pay commission (other than sitting fees and reimbursement of expenses for attending the meetings of the Board and / or Committees thereof) on profits to the Non-Executive Independent Directors for a further period of five years commencing from 1st April 2021, as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time), but so that such commission shall not exceed one percent 1% per annum of the net profits of the Company in any Financial Year (computed in the manner provided in Section 198 of the Companies Act, 2013).

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

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Mr. Syed S. Hussain and/ or their relatives, are, in any way, concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 10 of this Notice for approval of the Members.

Item No. 11

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Malvika Sinha, as an Additional Director (Independent Director Category) of the Company, not liable to retire by rotation, from August 24, 2021. The appointment of Ms. Malvika Sinha is subject to approval of the Members at the ensuing Annual General Meeting. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Ms. Malvika Sinha shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a

NOTICE

member, proposing her candidature for the office of Director. Ms. Malvika Sinha is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Ms. Malvika Sinha to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the "SEBI LODR". In the opinion of the Board, Ms. Malvika Sinha fulfils the conditions specified in the Act and "SEBI LODR" for appointment as Independent Director and is independent of the management of the Company.

Brief Profile of Ms. Malvika Sinha

Ms. Malvika Sinha holds a Masters' Degree in Public Administration from the Woodrow Wilson School of Public and International Affairs, Princeton University, USA, a Masters' Degree in Arts from Elphinstone College, Mumbai University, and is a Certified Associate of the Indian Institute of Banking.

Ms. Malvika Sinha served the Reserve Bank of India ("RBI") for 38 years, retiring as Executive Director in February 2020. As Executive Director at RBI, she was in charge of the Human Resource Development, Foreign Exchange Department, Internal Debt Management Department, and Deposit Insurance and Credit Guarantee Department and had the executive responsibility for the operations of these departments and overseeing policy formulation in these areas. She was responsible for recruiting, postings, promotions, training, industrial relations, and policies for around 15,000 employees (officers, clerks, and workmen) of the RBI.

Ms. Malvika Sinha joined the RBI in 1982 as a career central banker and served in various departments – Department of Banking Operations and Development, Department of Banking Supervision, Urban Banks Department, Secretary's, Department of Government and Bank Accounts, Exchange Control Department, among others – and in different centres viz. Patna and Delhi and has over four decades of experience.

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 both the Institute of Banking and Finance & Institute of Banking Personnel Selection.

The details of Ms. Malvika Sinha as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Malvika Sinha as an Independent Director is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms. Malvika Sinha and/ or her 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. 11 of this Notice for approval of the Members.

Item No. 12

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rajeev Bhaskar Sahi, as an Additional Director (Independent Director Category) of the Company, not liable to retire by rotation, from August 24, 2021. The appointment of Mr. Rajeev Bhaskar Sahi is subject to approval of the Members at the ensuing Annual General Meeting. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Rajeev Bhaskar Sahi shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing his candidature for the office of Director.

Mr. Rajeev Bhaskar Sahi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr.

Rajeev Bhaskar Sahi to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of the "SEBI LODR".

In the opinion of the Board, Mr. Rajeev Bhaskar Sahi fulfils the conditions specified in the Act and "SEBI LODR" for appointment as Independent Director and is independent of the management of the Company.

Brief Profile of Mr. Rajeev Bhaskar Sahi

Mr. Rajeev Bhaskar Sahi did his Post Graduate Program (MBA) in Finance, Marketing from Indian Institute of Management, Ahmedabad. He also completed Marketing Management Program in Brand Management and International Columbia University - Columbia Business School, USA.

Mr. Rajeev Bhaskar Sahi 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.

He is currently a Volunteer at Ramakrishna Mission, based at Mumbai. He was Group CEO of Kwalty Group of Companies, Delhi from 2012 to 2016. He was CEO of Career Knowledge Resources Pvt. Ltd. from 2010 to 2011. He also acted as CEO for International Business of Esselgroup Corporate Resources Private Limited from 2008 to 2009. He was President, Retail Petroleum Business of Reliance Industries Limited from 2001 to 2008. He held various positions including that of General Manager at Bharat Petroleum from 1981 to 2001.

The details of Mr. Rajeev Bhaskar Sahi as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of

Mr. Rajeev Bhaskar Sahi as an Independent Director is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Rajeev Bhaskar Sahi and/ or his 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. 12 of this Notice for approval of the Members.

Item No. 13

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Venkatraman Srinivasan, as an Additional Director (Independent Director Category) of the Company, not liable to retire by rotation, from August 24, 2021. The appointment of Mr. Venkatraman Srinivasan is subject to approval of the Members at the ensuing Annual General Meeting. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Venkatraman Srinivasan shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing his candidature for the office of Director.

Mr. Venkatraman Srinivasan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Venkatraman Srinivasan to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of the "SEBI LODR".

In the opinion of the Board, Mr. Venkatraman Srinivasan fulfils the conditions specified in the Act and "SEBI LODR" for appointment as Independent Director and is independent of the management of the Company.

NOTICE

Brief Profile of Mr. Venkatraman Srinivasan

Mr. Venkatraman Srinivasan is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He completed his graduation in Commerce from 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.

Mr. Venkatraman Srinivasan 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 funds and financial companies, public sector companies, and 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, established to provide professional opinion on matters related to Accounting treatment and practices both under Ind AS (IFRS) as well as Indian GAAP (Indian Accounting Standards) 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 to review Audit Reports of Enterprises referred by SEBI's Quality Review Committee for the year 2013-14.

The details of Mr. Venkatraman Srinivasan as required pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard-2, are provided in the "Annexure" to the Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Venkatraman Srinivasan as an Independent Director is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Venkatraman Srinivasan and/ or his 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. 13 of this Notice for approval of the Members.

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

Place: Mumbai
Date: July 28, 2021

Sd/-
Atul Prabhu
Company Secretary &
Compliance Officer

Annexure-I

ANNEXURE TO THE AGM NOTICE

Details of Directors seeking Appointment/ Re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2

Name of the Director	Mr. Syed S. Hussain	Mr. Sanjay Shende	Mr. Baldev Singh
Director Identification Number	00209117	09172642	03577274
Date of Birth	May 01, 1950	August 13, 1965	July 30, 1962
Age	71	56	59
Qualification(s)	IAS (Retd.) B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. M.Sc. in Admin Sciences & Development Problems from York University, UK	B.E. (Civil Engineering), Nagpur University, Post Graduate Diploma in Management from the Indian Institute of Management, Lucknow	Indian Administrative Services (IAS), 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)
Date of Appointment/ re-appointment	September 09, 2022 (Re-appointment)	May 24, 2021 (Appointment)	April 28, 2021 (Appointment)
Brief Profile of the Director and other details viz: experience/expertise	Mr. Syed S. Hussain graduated in B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. He has also completed his M.Sc. in Admin Sciences & Development Problems from York University, UK. He belongs to 1973 batch of Indian Revenue Service (IRS) and 1976 batch of Indian Administrative Service (IAS), Maharashtra cadre. Mr. Syed S. Hussain retired as Vice-Chairman and Managing Director of City & Industrial Development Corp. of Maharashtra Ltd. (CIDCO). He has worked as Chairman of JNPT and Joint Managing Director of CIDCO.	Mr. Sanjay Shende has a rich, illustrious career in B2B sales, exports, and marketing spanning almost three decades. 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, from 2000 onwards, 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.	Mr. Baldev Harpal 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).

NOTICE

Name of the Director	Mr. Syed S. Hussain	Mr. Sanjay Shende	Mr. Baldev Singh
	<p>Prior to taking over the charge of Additional Chief Secretary, Government of Maharashtra, he has held the posts of Principal Secretary of Public Health, Revenue, Forest and Rural Development departments. He was also the CEO of Zilla Parishad, Nagpur and District Collector & Magistrate, Latur and Nasik, Maharashtra.</p> <p>Mr. Syed S. Hussain was awarded with "Business Leader of the year - Ports" award at Leadership & Excellence Awards Shipping, Marine & Ports 2010 and also bestowed with "Maritime Gateway - Major Port of the year" Award consecutively for two years during his tenure as Chairman of JNPT.</p>	<p>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.</p> <p>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.</p> <p>Since 2018 he has been heading GAIL's Hyderabad zonal office looking after the marketing activities for GAIL as well as boundary management in Andhra Pradesh and Telangana.</p> <p>Prior to joining GAIL, he worked at Hindustan Petroleum Corporation Limited and Indian Petrochemicals Corporation Limited.</p>	<p>He has been recently appointed 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.</p> <p>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.</p>
Chairman/Member of the Committees of the Board of Directors of the Company	<p>Member:</p> <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee • Risk Management Committee 	<p>Member:</p> <ul style="list-style-type: none"> • Corporate Social Responsibility Committee • Stakeholders Relationship Committee • Risk Management Committee 	<p>Member:</p> <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee
List of other Companies in which Directorship held	<ol style="list-style-type: none"> 1. Mahagenco Ash Management Services Limited 	NIL	<ol style="list-style-type: none"> 1. Pune (Purandar) International Airport Limited 2. Maharashtra Airport Development Company Limited 3. Aurangabad Industrial Township Limited 4. Maharashtra Information Technology Corporation Limited

Name of the Director	Mr. Syed S. Hussain	Mr. Sanjay Shende	Mr. Baldev Singh
Chairman/ Member of the Committee of Board of Directors of other Companies	1. Tech Advisory Committee - Chairman	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL
Inter-se relationships between - Director - Key Managerial Personnel (KMP)	There is no inter-se relationship with other directors and KMP of the Company.	There is no inter-se relationship with other directors and KMP of the Company.	There is no inter-se relationship with other directors and KMP of the Company.
No. of Board Meetings attended during the financial year 2020-21	Six (6)	NA	NA
Details of remuneration last drawn (in ₹)	NA	NA	NA
Terms and Conditions of appointment along with remuneration sought to be paid	Non-Executive Director, not liable to retire by rotation. Terms of appointment are as per the explanatory statement of item no. 7 of the notice.	Executive Director, not liable to retire by rotation. Terms of remuneration are as per the explanatory statement of item no. 8 of the notice.	Non-Executive Director, liable to retire by rotation. Terms of appointment are as per the explanatory statement of item no. 9 of the notice.

NOTICE

Name of the Director	Ms. Malvika Sinha	Mr. Rajeev Bhaskar Sahi	Mr. Venkatraman Srinivasan
Director Identification Number	08373142	06662067	00246012
Date of Birth	February 13, 1960	October 09, 1959	March 09, 1959
Age	61	61	62
Qualification(s)	Masters' Degree in Public Administration from the Woodrow Wilson School of Public and International Affairs, Princeton University, USA, Masters' Degree in Arts from Elphinstone College, Mumbai University, Certified Associate of the Indian Institute of Banking.	Post Graduate Program (MBA) in Finance, Marketing from Indian Institute of Management, Ahmedabad, Marketing Management Program in Brand Management and International Columbia University - Columbia Business School, USA.	Fellow Member of the Institute of Chartered Accountants of India (ICAI), Commerce Graduation from Sydenham College of Commerce and Economics, Mumbai
Date of Appointment/ re-appointment	August 24, 2021	August 24, 2021	August 24, 2021
Brief Profile of the Director and other details viz: experience/ expertise	Ms. Malvika Sinha served the Reserve Bank of India ("RBI") for 38 years, retiring as Executive Director in February 2020. As Executive Director at RBI, she was in charge of the Human Resource Development, Foreign Exchange Department, Internal Debt Management Department, and Deposit Insurance and Credit Guarantee Department and had the executive responsibility for the operations of these departments and overseeing policy formulation in these areas. She was responsible for recruiting, postings, promotions, training, industrial relations, and policies for around 15,000 employees (officers, clerks, and workmen) of the RBI.	Mr. Rajeev Bhaskar Sahi 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 grassroots Project Implementation.	Mr. Venkatraman Srinivasan 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 funds and financial companies, public sector companies, and 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.

Name of the Director	Ms. Malvika Sinha	Mr. Rajeev Bhaskar Sahi	Mr. Venkatraman Srinivasan
	<p>Ms. Malvika Sinha joined the RBI in 1982 as a career central banker and served in various departments – Department of Banking Operations and Development, Department of Banking Supervision, Urban Banks Department, Secretary's, Department of Government and Bank Accounts, Exchange Control Department, among others – and in different centres viz. Patna and Delhi and has over four decades of experience.</p> <p>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 both the Institute of Banking and Finance & Institute of Banking Personnel Selection.</p>	<p>He is currently a Volunteer at Ramakrishna Mission, based at Mumbai. He was Group CEO of Kwality Group of Companies, Delhi from 2012 to 2016. He was CEO of Career Knowledge Resources Pvt. Ltd. from 2010 to 2011. He also acted as CEO for International Business of Esselgroup Corporate Resources Private Limited from 2008 to 2009. He was President, Retail Petroleum Business of Reliance Industries Limited from 2001 to 2008. He held various positions including that of General Manager at Bharat Petroleum from 1981 to 2001.</p>	<p>He was co-opted as a Member of the Expert Advisory Committee (EAC) of the ICAI, established to provide professional opinion on matters related to Accounting treatment and practices both under Ind AS (IFRS) as well as Indian GAAP (Indian Accounting Standards) for the year 2021-22. He was a member on the Panel of Special Group formed by the Financial Reporting Review Board (FRRB) of The Institute of Chartered Accountants of India to review Audit Reports of Enterprises referred by SEBI's Quality Review Committee (QARC) for the year 2013-14.</p>
Chairman/Member of the Committees of the Board of Directors of the Company	NIL	NIL	NIL
List of other Companies in which Directorship held	<ol style="list-style-type: none"> 1. Mahindra Logistics Limited 2. Tata Capital Limited 	<ol style="list-style-type: none"> 1. Hemant Sahi Designs Private Limited 	<ol style="list-style-type: none"> 1. HDB Financial Services Limited 2. National Payments Corporation of India 3. Fairchem Organics Limited 4. Tata Coffee Limited

NOTICE

Name of the Director	Ms. Malvika Sinha	Mr. Rajeev Bhaskar Sahi	Mr. Venkatraman Srinivasan
Chairman/ Member of the Committee of Board of Directors of other Companies	<p>Mahindra Logistics Limited:</p> <ol style="list-style-type: none"> Audit Committee - Member CSR Committee - Member Risk Management Committee – Member <p>Tata Capital Limited:</p> <ol style="list-style-type: none"> Audit Committee - Member Nomination and Remuneration Committee - Member Stakeholders Committee - Member CSR Committee - Member Information Technology Strategy Committee - Chairman 	NIL	<p>HDB Financial Services Limited:</p> <ol style="list-style-type: none"> Audit Committee - Chairman Nomination and Remuneration Committee - Chairman Risk Management Committee – Member <p>National Payments Corporation of India:</p> <ol style="list-style-type: none"> Audit Committee - Chairman Technology and Project Management Committee – Member <p>Fairchem Organics Limited:</p> <ol style="list-style-type: none"> Audit Committee - Chairman <p>Tata Coffee Limited:</p> <ol style="list-style-type: none"> Audit Committee – Member Risk Management Committee – Member
Shareholding in the Company	NIL	NIL	NIL
Inter-se relationships between - Director - Key Managerial Personnel (KMP)	There is no inter-se relationship with other directors and KMP of the Company.	There is no inter-se relationship with other directors and KMP of the Company.	There is no inter-se relationship with other directors and KMP of the Company.
No. of Board Meetings attended during the financial year 2020-21	NA	NA	NA
Details of remuneration last drawn (in ₹)	NA	NA	NA
Terms and Conditions of appointment along with remuneration sought to be paid	Non-Executive Director, not liable to retire by rotation. Terms of appointment are as per the explanatory statement of item no. 11 of the notice.	Non-Executive Director, not liable to retire by rotation. Terms of appointment are as per the explanatory statement of item no. 12 of the notice.	Non-Executive Director, not liable to retire by rotation. Terms of appointment are as per the explanatory statement of item no. 13 of the notice.

Annexure-II

(Existing)

(THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)
(PUBLIC COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION OF

MAHANAGAR GAS LIMITED

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

I. PRELIMINARY

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

"Interpretation"	2.	In the construction of these Articles unless inconsistent with the context the singular shall include the plural and the masculine shall include the feminine and vice versa, and persons shall include bodies corporate, and the following words and expression shall have the following meanings:
"Act"	a+	"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder and any statutory modification or re-enactment thereof for the time being in force.
"Affiliate"	b	"Affiliate" means, with respect to, BGAPH or GAIL, any other Person which directly or indirectly, Controls, is Controlled by, or is under Common Control with such Person. "Control" or "Controlled" shall mean (a) the right to appoint majority of the directors of a Person or (b) the beneficial ownership, directly or indirectly, of more than 50% of the voting securities of such Person. For this purpose, the Company shall not be considered as an affiliate of BGAPH or GAIL. "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association or trust or any other entity or organization and may include GAIL and BGAPH hereto."

NOTICE

"Annual General Meeting"	c	"Annual General Meeting" shall mean the annual general meeting of the Members of the Company held each year in accordance with the provisions of the Act.
"Articles"	d	"Articles" shall mean these Articles of Association as amended from time to time.
"Auditors"	e	"Auditors" shall mean the entity appointed as statutory auditors of the Company in accordance with provisions of the Act.
"Board"	f	"Board" or "Board of Directors" shall mean the Directors of the Company for the time being.
"BGAPH"	g+	"BGAPH" shall mean British Gas Asia Pacific Holdings Pte Limited, a company incorporated under the laws of Singapore having its registered office at 8 Marina View, Asia Square Tower 1, #11-03, Singapore 018960, including its successors and permitted assigns.
"Company"	h	"Company" shall mean Mahanagar Gas Limited, a company incorporated under the laws of India.
"Dividend"	i	"Dividend" shall include dividend, interim dividend and bonus.
"Extraordinary General Meeting"	j+	"Extraordinary General Meeting" shall mean an extraordinary general meeting of the Company called by the Board under Section 100 of the Act.
"General Meeting"	k	"General Meeting" means meeting of the Members of the Company whether an Annual General Meeting or an Extraordinary General Meeting.
"GAIL"	l	"GAIL" shall mean GAIL (India) Limited (formerly Gas Authority of India Limited), a company incorporated under the Indian Companies Act, 1956 (No.1 of 1956), having its registered office at 16, Bhikaiji Cama Place, R.K. Puram, New Delhi 110 066, India, including its successors and permitted assigns
"Member " or "Members"	m	<p>"Member" or "Members" in relation to the Company shall mean:</p> <ul style="list-style-type: none"> (a) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its Register of Members; (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members of the Company; (c) every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a depository.

"Memorandum of Association" or "Memorandum"	n+	"Memorandum of Association" or "Memorandum" shall mean Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous company law or of the Act.
"Person"	o	"Person" shall include individuals, firms, bodies of individuals, companies and other bodies corporate.
"Register" or "Register of Members"	p	"Register" or "Register of Members" shall mean the register of Members to be kept pursuant to the provisions of the Act.
"Seal"	q	"Seal" shall mean the common seal of the Company.
"Shares"	r+	"Shares" shall mean the shares in the share capital of the company and includes stock.
"Words and expressions derived in the Companies Act, 2013"+		And subject as aforesaid and unless the context otherwise requires words or expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.
III. CAPITAL		
"Capital"	3+	The authorised share capital of the Company is ₹1,300,000,000/- (Rupees One Billion Three Hundred Million) divided into 130,000,000 (One Hundred Thirty Million) Shares of ₹10/- (Rupees Ten) each payable in the manner as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or re-organise the Shares, subject to the provisions of the Act, to vary such rights as may be determined in accordance with the Articles.
IV. ISSUE OF SHARES		
"Preference Shares"	4.a*+	The Company shall have power to issue preference shares carrying a right of redemption out of profits or out of the proceeds of a fresh issue of shares and the Board of Directors may subject to the provisions of Section 55 of the Act and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and proviso to Section 80A(1) and Section 80A(2) of Companies Act, 1956 (until the time these provisions remain in force) (including any statutory modification(s) or re- enactment thereof) exercise such power in any manner as they may think fit.
"Sweat Equity Shares"	4.b*+	The Company shall have power to issue sweat equity shares subject to the provisions of Section 54 of the Act and other applicable laws at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called.

NOTICE

"Equity Shares"	4.c*+	Subject to the provisions of the Act and any Rules framed there under, the Board of Directors may issue equity shares upon such terms and conditions and with such rights and privileges annexed thereto, including differential rights as to dividend, voting or otherwise as the Board of Directors may deem fit.
"Issue of Shares to employees / Directors ranking pari passu with the ordinary Shares"	4.d*+	In accordance with the provisions of the Act (including any statutory modification(s) or re-enactment thereof) and other applicable laws, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company or any committee thereof for the time being exercising the powers conferred on the Board or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the Board may, if and when thought fit, create, offer, issue, allocate or allot in one or more tranches, to such persons who are, in the sole discretion of the Board, in the permanent employment of the Company, and to the Executive/Managing/Whole time Directors of the Company, such number of ordinary shares of the Company of the face value of any denomination, including ordinary shares in the form of fully or partly convertible debentures, bonds, warrants or other securities as may be permitted by the law, from time to time not exceeding such percentage of the capital of the Company as may be permitted by the law, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines, regulations and provisions of law and otherwise ranking pari passu with the ordinary shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion deem fit.
"Bonus Shares"	4.e*+	The Company may subject to the provisions of Section 63 of the Act and other applicable law, capitalize its profits or reserves for the purpose of issuing fully paid-up bonus shares.
V. REDUCTION OF CAPITAL		
"Reduction of Capital"	5.a*+	The Company may, from time to time, by special resolution and subject to the provisions of Section 66 of the Act, (including any statutory modification(s) or re-enactment thereof) reduce its share capital, Capital Redemption Reserve Account or Share Premium Account in any way and in particular, without prejudice to the generality of the foregoing power, by:
	5.a.(i)*	extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up; or
	5.a.(ii)*	cancelling, either with or without extinguishing or reducing liability on any of its shares, any paid-up capital which is lost or unrepresented by available assets; or

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

"Reduction of Capital and buy back of securities" 5.b** Notwithstanding anything contained in these Articles, subject to all applicable provisions of the Act, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time), including Sections 66, 68, 69 and 70 of the Act, and subject to such other approvals, permissions and sanctions, and in accordance with regulations made by authorities or bodies as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, the Board of Directors may, if and when thought fit, buy back from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities") of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of issuance of any shares or other securities or from such other sources as may be permitted by law, on such terms and conditions and in such manner as may be prescribed or permitted by law from time to time.

VI. DEMATERIALISATION OF SHARES

6.a* For the purpose of this Article:

"Beneficial Owner" 6.a.(i)* "Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

"SEBI" 6.a.(ii)* "SEBI" means the Securities and Exchange Board of India;

"Depository" 6.a.(iii)*+ "Depository" means a company formed and registered under the Act or the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and

NOTICE

"Securities"	6.a.(iv)*	"Security" means such security as may be specified by SEBI from time to time.
"Dematerialization of Securities "	6.b*	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
"Option to Subscribers to receive Security Certificates or to have Securities in demat form"	6.c+	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.
"Intimation to Depository of securities allotted in demat form"	6.d+	If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
"Depository deemed to be registered owner"	6.e(i)*	Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
"Depository not to have voting rights"	6.e(ii)*	Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
"Beneficial owner deemed to be Member"	6.e(iii)*	Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
"Depository to supply list of beneficial owners"	6.f*	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
"Provision of Section 56 not to apply"	6.g*+	Nothing contained in Section 56 of the Act, except sub sections 3, 4, 5 of that Section or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

"The Company to intimate Depository the allotment of Securities in demat form"	6.h*	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
	6.i*	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
"Register & Index of Members & Security Holders"	6.j*	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.
VII. SHARES AND SHAREHOLDERS		
"Further issue of Shares"	7.a+	<p>Where at any time, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those Shares by sending a letter of offer subject to the following conditions, namely:</p> <p>(i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>(ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) above shall contain a statement of this right;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed by the rules framed under the Act; or</p>

NOTICE

		(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) of this Article, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed by the rules framed under the Act.
	7.b+	The notice referred to in sub-clause (i) of clause (a) of Article 7.a above shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders of the Company at least three days before the opening of the issue.
	7.c+	Nothing in Articles 7.a, 7.b and 7.c shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.
"Shares at the disposal of the Directors"	7.d*+	Subject to the provisions of Section 62 of the Act or any other applicable rules and/or regulations and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may allot and issue Shares in the capital of the Company on payment in full or part of any property sold and transferred for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that the option or right to call of Shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

"Registered Holders to be absolute owner"	7.e*	Save as herein or by law otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any benami trusts whatsoever or equitable, contingent, future, partial or other claim to or interest in such share, on the part of any other person whether or not it shall have express or implied notice thereof. The provisions of the Act shall apply and save as aforesaid, no notice of any trust expressed, implied or constructive, shall be entered in the Register; the Directors shall, however, be at liberty, at their sole discretion to register any share in the joint names of any two or more persons, and the survivor or survivors of them.
"Company's Lien on Shares/Debentures"	7.f*+	The Company shall have a first and paramount lien upon all the Shares/debentures (other than fully paid-up Shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Unless otherwise agreed the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article.
VIII. JOINT HOLDERS		
"Joint Holders"	8.*	Where two or more persons are registered as the holders of any shares they shall be deemed (so far as the Company is concerned) to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in these Articles:
"Two persons as Joint Holders"	8.a*	The Company shall be entitled to decline to register more than two persons as the joint-holders of any shares.
"Liabilities for all payment in respect of shares"	8.b*	The joint-holders of any shares shall be liable, severally as well as jointly, for and in respect of all calls or installments and other payments which ought to be made in respect of such shares.
"Title of survivors"	8.c*	On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

NOTICE

“Joint Holders of Shares to give receipt for payments in respect thereof”	8.d*	Any one of such joint - holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.
“Delivery of Certificate and giving of Notices to first named Holders”	8.e*+	Only the person whose name stands first in the Register of Members as one of the joint-holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.
“Voting Rights of Joint Holders”	8.f*	Any one of two or more joint-holders may vote at any meeting either personally or by any agent duly authorised under a power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof. Provided, always, that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first in the Register in respect of such shares. Several executors of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this sub-clause be deemed joint-holders.
“Limitation of Time for Issue of Certificates”	8.g*+	Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

"Issue of new certificate in place of one defaced, lost or destroyed"	8.h*+	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity, affidavit as the Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to debentures of the Company.</p>
IX. UNDERWRITING AND BROKERAGE		
"Commission and Brokerage"	9.*+	<p>The Company may, subject to the provisions of Sub-section (6) of Section 40 of the Act and Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or his procuring, subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company and commission in case of shares and debentures shall be paid in accordance with the applicable law and regulations. The commission may be paid out of the proceeds of the issue or the profit of the company or both. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.</p>
X. NOMINATION OF SHARES		
"Nomination"	10.a*	<p>Every shareholder or debenture holder of the Company, may at any time nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death</p>

NOTICE

“Joint Holders may nominate only one person jointly as their Nominee”	10.b*	Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
“Nominee’s right in case of death of Joint Holders”	10.c*	Notwithstanding anything to the contrary contained in any other law or these Articles for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or the debentures of the Company, the nominee shall, on death of the shareholder or debenture holder, or, as the case may be on the death of the joint holders, become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
“Minor Nominee to appoint another person as his Nominee”	10.d*	Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority of such nominee.
XI. CALLS		
“Calls”	11.a*	The Board of Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call or any installment of a call may be revoked or postponed by the Board of Directors.
“Notice of Call”	11.b*	Not less than fourteen days or such period as may be provided by the Act, applicable rules and regulations, notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
“Call deemed to be made on the date of Board Resolution”	11.c*	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at meeting of the Board of Directors and may be made payable by the Members on such date, or at the discretion of the Directors on such subsequent date, as shall be fixed by the Board of Directors.

"Board may extend the Call time at its discretion"	11.d*	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the Members of the Board of Directors may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
"Amount payable at fixed time or by installments payable as Calls"	11.e*+	<p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p> <p>In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
"Interest on Call payable"	11.f*	If the sum payable in respect of any call or installment be not paid for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate as the Board of Directors shall fix from the day appointed for the payment thereof until the time of actual payment, but the Board of Directors may waive payment of such interest wholly or in part.
"Evidence in action for Call"	11.g*	On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the directors who made such call, nor that a quorum of directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

NOTICE

“Payment of Calls in advance”	11.h*+	<p>The Board of Directors may, subject to the provisions of Section 50 of the Act, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount due upon the Shares held by him beyond the sums actually called for and upon the money so paid up in advance or so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of its Shares on account of such advances are made, the Company may pay interest, at such rate not exceeding unless the Company in a General Meeting otherwise directs, six percent to the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Members by giving suitable written notice as may be decided by the Board of Directors of the Company. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend.</p> <p>No Member paying any sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.</p> <p>The provisions of this Article shall mutatis mutandis apply to calls on debentures of the Company.</p>
“Calls to be uniform”	11.i*+	Where any calls are made on shares they shall be on uniform basis for all shares of the same class in accordance with Section 49 of the Act.
	11.j*	If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
“Joint Holders liability in respect of Calls, Joint & Several”	11.k*	The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
XII. TRANSFER AND TRANSMISSION OF SHARES		
“Execution of Transfer Deed etc”	12.*+	The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
“No fee on Transfer or Transmission”	13.+	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

"Directors may decline to register transfer"	14.*+	<p>Subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.</p> <p>Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on Shares.</p>
"Transmission of Shares"	15.a*+	<p>Any share of a deceased member may be transferred by his or her executors, administrators (after furnishing to the Board of Directors such documentary evidence as the Board of Directors may in their absolute discretion require including an appropriate indemnity) to the widow or widower or any such relative as aforesaid of such deceased member but only where such widow, widower or relative is a legatee under a will of the deceased or an heir(s), where the deceased has died intestate.</p>
"No transfer to minor or insolvent or person of unsound mind"	15.b*	<p>No share shall in any circumstances be transferred to a minor, insolvent or a person of unsound mind.</p>
"Transfer of Shares"	15.c*+	<p>Save as provided in Article 15.b of these Articles and subject to the provisions of Section 59 of the Act, the shares or debentures of the Company and any interest therein shall be freely transferable.</p>
"Title of survivors"	15.d*+	<p>In the case of death of any one or more of the persons named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained, shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.</p>

NOTICE

“Company not bound to recognize executors or Administrators or holders of a Succession Certificate”

16.*

The executors or administrators or holders of Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or the legal representatives shall have first obtained probate or letters of administration or succession certificate as the case may be, from a duly constituted Court in India PROVIDED THAT in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate and under Article 17 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

“Transfer of Shares in favour of purchaser nominated by Board”

17.*+

Subject to the provisions of Articles 15.d and 16 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, insolvency or liquidation of any Member, by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or such title, as the Board thinks sufficient, either be registered itself / himself as the holder of the shares or elect to have some person nominated by it/him and approved by the Board, registered as such holder, provided, nevertheless, that if such person shall elect to have its/his nominee registered, it/he shall testify the election by execution in favour of its/his nominee an instrument of transfer in accordance with the provisions herein contained, and, until it/he does so, it/he shall not be freed from any liability in respect of the shares. If the Board refuses to register the transmission or transfer by the person becoming entitled to shares as aforesaid the Company shall comply with the provisions of Section 59 of the Act.

XIII. MODIFICATION OF RIGHTS

"Power to vary Shareholders' rights"	18.*+	Whenever the capital (by reason of the issue of Preference Shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provision of Section 48 of the Act, (including any statutory modification(s) or re-enactment thereof), be modified, commuted, affected, abrogated or otherwise varied subject to (a) the consent in writing by the holders of at least three-fourths in nominal value of the issued shares of the class concerned or (b) the sanction of a special resolution passed at a separate General Meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meetings, shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall, subject to the provisions of the Act, be the members holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.
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XIV. BORROWING POWERS

"Powers to borrow"	19.**	Subject to the provisions of these Articles and the Act and the Companies (Acceptance of Deposits) Rules, 2014 or any statutory modifications thereof for the time being in force, the Board may from time to time at its discretion, by a resolution passed at a meeting of the Board and with the consent of the Company by passing a resolution in the General Meeting accept deposits from Members either in advance of calls or otherwise subject, however, that such deposits together with the amount of other deposits outstanding of the Company as on the date of acceptance or renewal of such deposits shall not exceed 25% of the aggregate of the paid-up share capital and free reserves of the Company.
	20+	Subject to the provisions of Section 180 and other applicable provisions of the Act and any Rules framed there under, the Board of Directors of the Company may from time to time at its discretion, borrow money, by a resolution passed at a meeting of the Board. In the event, the money to be borrowed, together with the money already borrowed by the Company, exceeds the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, the Board shall exercise the powers to borrow such amount only with the consent of the Company by a special resolution in a General Meeting.

NOTICE

“Securities to be Subject to control of Directors”	21.**+	The Board may, subject to the provisions of the Act and other applicable law, raise or secure the repayment of such sum or sums including interest and other charges, if applicable, in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, redeemable debentures or debenture stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being. Debentures with the right to conversion into Shares or linked to allotment of Shares shall be issued in accordance with the provisions of the Act and only with the consent of the Company in General Meeting by way of a special resolution.
“Register of Charges”	22.**	The Board shall cause a proper Register to be kept in accordance with the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of the Act in that behalf to be duly complied with.
“Securities may be assignable”	23.**+	Subject to the provisions of the Act, any such debenture, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
“Terms of issue of debentures”	24.**+	Subject to the provisions of section 71 of the Act and other applicable provisions of the Act, any Debenture, debenture stock, bonds or other securities may be issued at discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise PROVIDED HOWEVER that no Debentures with right to conversion into or allotment of shares shall be issued except with the sanction of the Company in General Meeting.
XV. GENERAL MEETINGS		
“Power to Board to convene an Extra-Ordinary General meeting”	25.**+	The Board may, whenever it thinks fit, call an Extraordinary General Meeting, by giving not less than twenty-one days’ notice in writing.
“Business at General Meeting”	26.**	No General Meeting shall be competent to enter, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

XVI. PROCEEDINGS AT GENERAL MEETINGS

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

XVII. BOARD OF DIRECTORS

"Management of the Company"	30.**	The management of the Company shall vest in the Board of Directors.
"Constitution of Board"	31.**+	The Company shall have a Board of Directors comprising of not more than fifteen Directors and not less than three Directors.
	31.1**+	Each of GAIL and BGAPH shall have the right to nominate for appointment of one Director on the Board of the Company for every 10% Shares held by them in the Company. The Director(s) to be nominated by GAIL or BGAPH shall be the employee(s) or individual contractor(s) of either GAIL or BGAPH or its Affiliate. The Director(s) nominated by BGAPH shall be Non- Executive Director(s). GAIL shall have the right to nominate for appointment of Non - Executive and/or Executive (Whole-time) Directors in terms of Article 34. For so long as the Government of Maharashtra holds not less than 10% shareholding in the Company, it shall have the right to nominate one Non-Executive Director on the Board of the Company.

NOTICE

In the event of any change in the shareholding of GAIL or BGAPH in the Company, the number of Director(s) to be nominated by either GAIL or BGAPH shall also be changed to reflect the change in the shareholding of GAIL or BGAPH as provided in this Article. GAIL or BGAPH whose shareholding in Company has changed, shall take steps to effect change in its representation at the Board as a result of such change in shareholding and (i) in case of reduction in the representation at the Board level cause its nominee Director to resign from the Board, not later than 30 (thirty) days of such change in shareholding or immediately in the case of a non-executive Director; or (ii) in case of increase in representation at the Board level by providing the name(s) of proposed director(s) within 30 (thirty) days of such change in shareholding or such further extended time that may be required by GAIL or BGAPH by providing a notice to the Company for such an appointment.

Notwithstanding the above, the total number of Directors to be nominated by BGAPH and GAIL shall not exceed half of the strength of the Board.

“Appointment of Nominee Director not to affect the rights of BGAPH and GAIL”

32.**+

Any appointment of Directors to the Board at the request of financial institutions advancing loans to the Company shall not affect the rights of BGAPH and GAIL under Article 31.1**+ above.

“Nominee Director of Financial Institutions”

33.**+

In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject, however, to the limits prescribed by the Act. Any person so appointed may at any time be removed from office by the appointing authority who may from time of the death or resignation of such person, appoint any other in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification Shares.

"Power to nominate Chairman, Managing Director and Deputy Managing Director"	34.**+	<p>Subject to Article 31.1, where GAIL has the right to appoint more than two (2) directors, GAIL shall nominate the Chairman of the Company and additionally, it shall nominate one of its nominee directors as the Managing Director and one as Deputy Managing Director of the Company, both of whom shall serve on a full time non-retiring basis. If GAIL has the right to appoint only two (2) Director(s) (owing to its reduced shareholding in the Company) GAIL shall nominate the Chairman as well as the Managing Director of Company. However, if GAIL has the right to appoint only one Director (owing to its reduced Shareholding in the Company) such Director, nominated by GAIL, shall be the Managing Director of the Company and the Chairman shall be appointed by the Board. The Managing Director shall have the substantial powers and responsibilities for the management of the Company as laid out in the Act, and shall function under the superintendence, control and direction of the Board.</p> <p>For so long as GAIL holds more than one Director on the Board, the Chairman shall be nominated by GAIL.</p>
"Retirement of Directors by rotation"	35.**+	<p>At every Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act, or if their number is not three nor a multiple of three, then, the number nearest to one third shall retire from office in accordance with the provisions of the Act.</p>
"Power to remove and nominate Directors"	36.**+	<p>The nominees of BGAPH and GAIL shall hold office of Director in the Company at the pleasure of BGAPH and GAIL respectively. BGAPH and GAIL shall have the power to remove their respective nominees on the Board and to nominate another person in the vacancy thereby caused or caused in any other manner.</p>
"Sitting Fees"	37.**+	<p>Directors shall be entitled to receive the sitting fees as prescribed under the Act. The Directors shall also be paid traveling and other expenses for attending and returning from meetings of the Board (and its committees) (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. Subject to the provisions of the Act and other applicable law, in addition to or in substitution of the sitting fees, Directors may also be paid commission not exceeding the maximum permissible limit.</p>
"First Directors"	38.**	<p>The first Directors of the Company shall be :</p> <ol style="list-style-type: none"> (1) Mr. C.N.H. Barker (2) Mr. S.E.A. Bensley (3) Mr. J.B. Stokes

NOTICE

		(4) Mr. P.S. Deodhar (5) Mr. B.S. Negi (6) Mr. C.R. Prasad
"Appointment of Alternate Director"	39.**+	Subject to the provisions of Sub section (2) of Section 161 of the Act, in the event that any Director (hereinafter referred to as the "Original Director") is away for a continuous period of not less than three (3) months from India, the Board of Directors may appoint an Alternate Director for him.
	39.1**+	The person to be appointed as Alternate Director shall be selected by BGAPH or GAIL as the case may be for whose representation the Original Director was appointed and the said Alternate Director shall be considered for purpose of ascertaining the quorum under these Articles and shall have all powers and responsibilities exercised by a Director of the Company.
"Appointment of Additional Directors"	40.**	Subject to the provisions of Sub section (1) of Section 161 of the Act, the Board shall have the power at any time and from time to time to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
"Qualification Shares"	41.**	A Director shall not be required to hold any qualification Shares.
		XVIII. PROCEEDINGS OF THE BOARD
"Meeting of Directors"	42.**+	The Directors may meet as a Board for the dispatch of business from time to time, and at least four (4) such meetings shall be held in every year with a gap of not more than 120 days between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may be held in or outside India.
"Notice of Board Meeting and form of Notice"	43.**+	At least seven (07) days notice of every meeting of the Board shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by e-mail or by any electronic means. So far as practical such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board, provided, however, that a meeting of the Board may be convened by a shorter notice to transact urgent business, subject to the conditions mentioned in the section 173 of the Act.

"Quorum"	44.**+	<p>The quorum for the Board of Directors shall be one-third (1/3) of the total strength of the Board for the time being or two (2) Directors whichever is more provided that there shall be no quorum unless at least one (1) Director nominated by each Member holding not less than 20% of the issued Shares in the Company is present, provided that if the meeting is not quorate due to absence of at least one Director nominated by each of the Members holding not less than 20% of the issued Shares in the Company, the meeting shall stand adjourned and a fresh notice would be issued for the adjourned meeting. All decisions of the Board shall be taken, to the extent possible on the unanimous basis. In the event such unanimity is not available on a particular issue after due deliberation and effort, the matter shall be decided by simple majority.</p> <p>Explanation – For the purpose of this Article, any fraction of a number shall be rounded off as one.</p>
"Power to summon a Meeting"	45.**	A Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Board.
"Language of Meeting and Minutes"	46.**	Meetings of the Board shall be conducted in the English language and the Minutes of the Board of Directors meetings shall be recorded in writing in English.
"Casting Vote"	47.**	The Chairman of the Board of Directors meeting shall not be entitled to a second or casting vote.
"Delegation of Powers to Committee or sub-committee"	48.**+	The Board may subject to the provisions of the Act, and these Articles, delegate any of its powers to committees or sub-committees consisting of such Member or Members of their body as they think fit provided that every such committee or sub-committee shall, in the exercise of the powers so delegated confirm to any regulations that may, from time to time, be imposed by the Board. All acts done by any such committee or sub-committee in conformity with such regulations and in fulfilment of the purposes of their appointment, but not otherwise, shall have like force and effect as if done by the Board.
"Regulation for Committee Meeting"	49.**	<p>48.1**+ GAIL and BGAPH shall have the right to nominate one of its nominee Director(s) as a member of Audit and Nomination and Remuneration Committees of the Company, so long as GAIL and BGAPH has the right to nominate at least one Director under Article 31.1.</p> <p>The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board as far as the same are applicable thereto and are not superseded by any regulations made by the Board in accordance with these Articles.</p>

NOTICE

		<p>Provided that, to be quorate, Nomination and Remuneration Committee of the Company shall require at least one (1) Director nominated by each of BGAPH and GAIL, subject to them holding not less than 10% of the issued shares, to be present. The Chair of this Committee shall be independently appointed by the Board of the Company.</p>
"Circular Resolution"	50.**+	<p>Save as otherwise expressly provided in the Act, and subject to Section 175 of the Act, no resolution by circulation shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by a majority of the directors or members, who are entitled to vote on the resolution. Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.</p>
"Postal Ballot"	51.*+	<p>The Board may, subject to the provisions of Section 110 of the Act, in case of resolutions relating to such business as declared by the Central Government by notification, or any other regulatory authority including the SEBI, to be conducted by postal ballot, shall, get any resolution passed by means of a postal ballot.</p>
"Interested Directors not to participate"	52.**+	<p>No Director shall, as a Director, take part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, connected with or interested in such contract or arrangement.</p>
		XIX. POWERS OF THE BOARD
"Delegation of Powers"	53.**+	<p>Subject to Section 179 of the Act, the Board shall have the right to delegate any of their powers to such Directors, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.</p>

"General Powers of the Board" 54.** The Board shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by Members in the General Meeting.

XX. DIVIDENDS

"Interest on Calls in advance but no right to dividend" 55.** Where capital is paid up in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

"Right to receive Dividend" 56.** Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto in accordance with the provisions of the Act the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Shares of the Company but so that a partly paid-up share shall only entitle the holders with respect thereto to such a proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.

"Dividend to Registered Member" 57.** A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

"Unpaid or Unclaimed Dividend" 58.+ Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within seven days of the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

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

The Board shall forfeit no unclaimed or unpaid dividend.

NOTICE

XXI. ACCOUNTS		
"Books of Accounts"	59.**+	The Company will maintain separate satisfactory financial accounts and records in accordance with generally accepted accounting principles, standards and practices as required by Indian law and in accordance with section 128 of the Act.
"Audit of Books of Accounts and Safety Audit"	60.a**+	An audit of the books of accounts, records and affairs of the Company at the Company's expense shall be made each year immediately following the close of the fiscal year and within requirements of the Act by an international firm of chartered accountants recommended by the Board and appointed by the Company. A signed English copy of the report of the annual audit shall be submitted to each member of the Board of Directors.
	60.b**+	For so long as GAIL or BGAPH (together with its respective wholly owned subsidiary/ies) hold not less than 10% of the issued shares of the company, either of BGAPH and GAIL will have the right at any time to carry out a safety audit to ensure compliance with the highest standards of safety and quality, as prescribed by international engineering societies of the U.K., Europe, the U.S.A., or equivalent societies, with due consideration for local geographical and environmental factors. Such inspections shall be carried out by BGAPH or GAIL as the case may be, or its nominee and shall be at the expense of BGAPH or GAIL. Findings of such inspections shall be immediately passed to the Managing Director and the Board.
XXII. SECRECY		
"Secrecy Clause"	61.**+	Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

XXIII. SEAL

"The Seal, its custody and use"	62.**+	The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be in the presence of and shall be signed by a Director and countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose, provided the certificates of Shares or Debentures (if any) of the Company shall be sealed and signed in the manner provided for by the Companies (Share Capital and Debenture) Rules, 2014 or any statutory amendment thereof for the time being in force. Subject to provisions of the Act, the Company may have a facsimile copy of the common seal for use as its official seal outside India.
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XXIV. INDEMNITY

"Indemnity to Directors and others"	63.**	Subject to the provisions of the Act, every Director, Managing Director, Manager or Officer of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him as such director, manager, managing director, officer of which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. Nothing herein contained shall apply to the constituted attorney of the Company unless such attorney is or is deemed to be an Officer of the Company.
"Responsibility of Directors and other Officers"	64.*	Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other directors or officers or for joining in any receipt or other act for conformity or for any loss or expenses incurred by the Company through the insufficiency or deficiency in title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upto which any of the moneys of the Company shall be invested, or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error or judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

NOTICE

NOTES :

- 1 (*) Insertion of new Article approved and adopted by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003 and (**) consequent upon the insertion of new Articles and deletion of the existing Articles 7, 8, 9 and 10 from the pre-amended Articles of Association, the serial number of Articles have been appropriately amended as approved by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003.
- 2.(***) Insertion of an additional sentence at the end of Article No. 34 pursuant to the Special Resolution passed at the Annual General Meeting of the Shareholders of the Company held on August 08, 2012.
Consequently Article 34 has been altered and modified appropriately.
- 3.(+) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on November 6, 2015.
- 4.(#) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on March 30, 2016.
5. New set of Articles of Association approved and adopted by the Members in the 21st Annual General Meeting of the Company held on September 26, 2016.
6. New set of Articles of Association approved and adopted w.e.f. November 24, 2018 by the Company upon passing of the Special Resolution by the Members through the postal ballot including e-voting vide postal ballot notice dated October 23, 2018.

(Revised)

**(THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)
(PUBLIC COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION OF
MAHANAGAR GAS LIMITED**

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

I. PRELIMINARY

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

"Interpretation"	2.	In the construction of these Articles unless inconsistent with the context the singular shall include the plural and the masculine shall include the feminine and vice versa, and persons shall include bodies corporate, and the following words and expression shall have the following meanings:
"Act"	a+	"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder and any statutory modification or re-enactment thereof for the time being in force
"Affiliate"	b^	"Affiliate" means, with respect to, GAIL, any other Person which directly or indirectly, Controls, is Controlled by, or is under Common Control with such Person. "Control" or "Controlled" shall mean (a) the right to appoint majority of the directors of a Person or (b) the beneficial ownership, directly or indirectly, of more than 50% of the voting securities of such Person. For this purpose, the Company shall not be considered as an affiliate of GAIL. "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association or trust or any other entity or organization and may include GAIL hereto."

NOTICE

“Annual General Meeting”	c	“Annual General Meeting” shall mean the annual general meeting of the Members of the Company held each year in accordance with the provisions of the Act.
“Articles”	d	“Articles” shall mean these Articles of Association as amended from time to time.
“Auditors”	e	“Auditors” shall mean the entity appointed as statutory auditors of the Company in accordance with provisions of the Act.
“Board”	f	“Board” or “Board of Directors” shall mean the Directors of the Company for the time being.
“Company”	g [^]	“Company” shall mean Mahanagar Gas Limited, a company incorporated under the laws of India.
“Dividend”	h [^]	“Dividend” shall include dividend, interim dividend and bonus.
“Extraordinary General Meeting”	i+ [^]	“Extraordinary General Meeting” shall mean an extraordinary general meeting of the Company called by the Board under Section 100 of the Act.
“General Meeting”	j [^]	“General Meeting” means meeting of the Members of the Company whether an Annual General Meeting or an Extraordinary General Meeting.
“GAIL”	k [^]	“GAIL” shall mean GAIL (India) Limited (formerly Gas Authority of India Limited), a company incorporated under the Indian Companies Act, 1956 (No.1 of 1956), having its registered office at 16, Bhikaiji Cama Place, R.K. Puram, New Delhi 110 066, India, including its successors and permitted assigns
“Member ” or “Members”	l [^]	<p>“Member” or “Members” in relation to the Company shall mean:</p> <p>(a) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its Register of Members;</p> <p>(b) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members of the Company;</p> <p>(c) every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a depository.</p>
“Memorandum of Association” or “Memorandum”	m+ [^]	“Memorandum of Association” or “Memorandum” shall mean Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous company law or of the Act.

"Person"	n [^]	"Person" shall include individuals, firms, bodies of individuals, companies and other bodies corporate.
"Register" or "Register of Members"	o [^]	"Register" or "Register of Members" shall mean the register of Members to be kept pursuant to the provisions of the Act.
"Seal"	p [^]	"Seal" shall mean the common seal of the Company.
"Shares"	q ^{+^}	"Shares" shall mean the shares in the share capital of the company and includes stock.
"Words and expressions derived in the Companies Act, 2013"+		And subject as aforesaid and unless the context otherwise requires words or expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company
III. CAPITAL		
"Capital"	3+	The authorised share capital of the Company is ₹1,300,000,000/- (Rupees One Billion Three Hundred Million) divided into 130,000,000 (One Hundred Thirty Million) Shares of ₹10/- (Rupees Ten) each payable in the manner as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or re-organise the Shares, subject to the provisions of the Act, to vary such rights as may be determined in accordance with the Articles.
IV. ISSUE OF SHARES		
"Preference Shares"	4.a*+	The Company shall have power to issue preference shares carrying a right of redemption out of profits or out of the proceeds of a fresh issue of shares and the Board of Directors may subject to the provisions of Section 55 of the Act and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and proviso to Section 80A(1) and Section 80A(2) of Companies Act, 1956 (until the time these provisions remain in force) (including any statutory modification(s) or re- enactment thereof) exercise such power in any manner as they may think fit.
"Sweat Equity Shares"	4.b*+	The Company shall have power to issue sweat equity shares subject to the provisions of Section 54 of the Act and other applicable laws at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called.

NOTICE

"Equity Shares"	4.c*+	Subject to the provisions of the Act and any Rules framed there under, the Board of Directors may issue equity shares upon such terms and conditions and with such rights and privileges annexed thereto, including differential rights as to dividend, voting or otherwise as the Board of Directors may deem fit.
"Issue of Shares to employees / Directors ranking pari passu with the ordinary Shares"	4.d*+	In accordance with the provisions of the Act (including any statutory modification(s) or re-enactment thereof) and other applicable laws, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company or any committee thereof for the time being exercising the powers conferred on the Board or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the Board may, if and when thought fit, create, offer, issue, allocate or allot in one or more tranches, to such persons who are, in the sole discretion of the Board, in the permanent employment of the Company, and to the Executive/Managing/Whole time Directors of the Company, such number of ordinary shares of the Company of the face value of any denomination, including ordinary shares in the form of fully or partly convertible debentures, bonds, warrants or other securities as may be permitted by the law, from time to time not exceeding such percentage of the capital of the Company as may be permitted by the law, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines, regulations and provisions of law and otherwise ranking pari passu with the ordinary shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion deem fit.
"Bonus Shares"	4.e*+	The Company may subject to the provisions of Section 63 of the Act and other applicable law, capitalize its profits or reserves for the purpose of issuing fully paid-up bonus shares.
V. REDUCTION OF CAPITAL		
"Reduction of Capital"	5.a*+	The Company may, from time to time, by special resolution and subject to the provisions of Section 66 of the Act, (including any statutory modification(s) or re-enactment thereof) reduce its share capital, Capital Redemption Reserve Account or Share Premium Account in any way and in particular, without prejudice to the generality of the foregoing power, by:

	5.a.(i)*	extinguishing or reducing the liability on any of its shares in respect of share capital not paid-up; or
	5.a.(ii)*	cancelling, either with or without extinguishing or reducing liability on any of its shares, any paid-up capital which is lost or unrepresented by available assets; or
"Capital may be paid off"	5.a.(iii)*	paying off, either with or without extinguishing or reducing liability, on any paid-up share capital which is in excess of the wants of the Company, and capital may be paid off upon the footing that it may be called up again or otherwise and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount.
"Reduction of Capital and buy back of securities"	5.b**	Notwithstanding anything contained in these Articles, subject to all applicable provisions of the Act, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time), including Sections 66, 68, 69 and 70 of the Act, and subject to such other approvals, permissions and sanctions, and in accordance with regulations made by authorities or bodies as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, the Board of Directors may, if and when thought fit, buy back from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities") of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of issuance of any shares or other securities or from such other sources as may be permitted by law, on such terms and conditions and in such manner as may be prescribed or permitted by law from time to time.
VI. DEMATERIALISATION OF SHARES		
	6.a*	For the purpose of this Article:
"Beneficial Owner"	6.a.(i)*	"Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

NOTICE

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

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

VII. SHARES AND SHAREHOLDERS

"Further issue of Shares"	7.a+	<p>Where at any time, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those Shares by sending a letter of offer subject to the following conditions, namely:</p> <p>(i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>(ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) above shall contain a statement of this right;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;</p>
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NOTICE

- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed by the rules framed under the Act; or
- (c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) of this Article, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed by the rules framed under the Act.
- 7.b+ The notice referred to in sub-clause (i) of clause (a) of Article 7.a above shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders of the Company at least three days before the opening of the issue.
- 7.c+ Nothing in Articles 7.a, 7.b and 7.c shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to
- Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.
- "Shares at the disposal of the Directors"** 7.d*+ Subject to the provisions of Section 62 of the Act or any other applicable rules and/or regulations and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may allot and issue Shares in the capital of the Company on payment in full or part of any property sold and transferred for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that the option or right to call of Shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

"Registered Holders to be absolute owner"	7.e*	Save as herein or by law otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any benami trusts whatsoever or equitable, contingent, future, partial or other claim to or interest in such share, on the part of any other person whether or not it shall have express or implied notice thereof. The provisions of the Act shall apply and save as aforesaid, no notice of any trust expressed, implied or constructive, shall be entered in the Register; the Directors shall, however, be at liberty, at their sole discretion to register any share in the joint names of any two or more persons, and the survivor or survivors of them.
"Company's Lien on Shares/Debentures"	7.f*+	The Company shall have a first and paramount lien upon all the Shares/debentures (other than fully paid-up Shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Unless otherwise agreed the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article.
VIII. JOINT HOLDERS		
"Joint Holders"	8.*	Where two or more persons are registered as the holders of any shares they shall be deemed (so far as the Company is concerned) to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in these Articles:
"Two persons as Joint Holders"	8.a*	The Company shall be entitled to decline to register more than two persons as the joint-holders of any shares.
"Liabilities for all payment in respect of shares"	8.b*	The joint-holders of any shares shall be liable, severally as well as jointly, for and in respect of all calls or installments and other payments which ought to be made in respect of such shares.
"Title of survivors"	8.c*	On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

NOTICE

“Joint Holders of Shares to give receipt for payments in respect thereof”	8.d*	Any one of such joint - holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.
“Delivery of Certificate and giving of Notices to first named Holders”	8.e*+	Only the person whose name stands first in the Register of Members as one of the joint-holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.
“Voting Rights of Joint Holders”	8.f*	Any one of two or more joint-holders may vote at any meeting either personally or by any agent duly authorised under a power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof. Provided, always, that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first in the Register in respect of such shares. Several executors of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this sub-clause be deemed joint-holders.
“Limitation of Time for Issue of Certificates”	8.g*+	Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

"Issue of new certificate in place of one defaced, lost or destroyed"	8.h*+	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity, affidavit as the Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to debentures of the Company.</p>
"Commission and Brokerage"	9.*+	<p style="text-align: center;">IX. UNDERWRITING AND BROKERAGE</p> <p>The Company may, subject to the provisions of Sub-section (6) of Section 40 of the Act and Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or his procuring, subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company and commission in case of shares and debentures shall be paid in accordance with the applicable law and regulations. The commission may be paid out of the proceeds of the issue or the profit of the company or both. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.</p>
"Nomination"	10.a*	<p style="text-align: center;">X. NOMINATION OF SHARES</p> <p>Every shareholder or debenture holder of the Company, may at any time nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death</p>

NOTICE

“Joint Holders may nominate only one person jointly as their Nominee”	10.b*	Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
“Nominee's right in case of death of Joint Holders”	10.c*	Notwithstanding anything to the contrary contained in any other law or these Articles for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or the debentures of the Company, the nominee shall, on death of the shareholder or debenture holder, or, as the case may be on the death of the joint holders, become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
“Minor Nominee to appoint another person as his Nominee”	10.d*	Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company,
XI. CALLS		
“Calls”	11.a*	The Board of Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call or any installment of a call may be revoked or postponed by the Board of Directors.
“Notice of Call”	11.b*	Not less than fourteen days or such period as may be provided by the Act, applicable rules and regulations, notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

"Call deemed to be made on the date of Board Resolution"	11.c*	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at meeting of the Board of Directors and may be made payable by the Members on such date, or at the discretion of the Directors on such subsequent date, as shall be fixed by the Board of Directors.
"Board may extend the Call time at its discretion"	11.d*	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the Members of the Board of Directors may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
"Amount payable at fixed time or by installments payable as Calls"	11.e*+	<p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p> <p>In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
"Interest on Call payable"	11.f*	If the sum payable in respect of any call or installment be not paid for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate as the Board of Directors shall fix from the day appointed for the payment thereof until the time of actual payment, but the Board of Directors may waive payment of such interest wholly or in part.
"Evidence in action for Call"	11.g*	On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the directors who made such call, nor that a quorum of directors was present at the Board at which any call was made nor that the meeting at such any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

NOTICE

“Payment of Calls in advance”	11.h*+	<p>The Board of Directors may, subject to the provisions of Section 50 of the Act, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount due upon the Shares held by him beyond the sums actually called for and upon the money so paid up in advance or so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of its Shares on account of such advances are made, the Company may pay interest, at such rate not exceeding unless the Company in a General Meeting otherwise directs, six percent to the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Members by giving suitable written notice as may be decided by the Board of Directors of the Company. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend.</p> <p>No Member paying any sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.</p> <p>The provisions of this Article shall mutatis mutandis apply to calls on debentures of the Company.</p>
“Calls to be uniform”	11.i*+	Where any calls are made on shares they shall be on uniform basis for all shares of the same class in accordance with Section 49 of the Act.
	11.j*	If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
“Joint Holders liability in respect of Calls, Joint & Several”	11.k*	The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
XII. TRANSFER AND TRANSMISSION OF SHARES		
“Execution of Transfer Deed etc”	12.*+	The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
“No fee on Transfer or Transmission”	13.+	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

"Directors may decline to register transfer"	14.*+	<p>Subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.</p> <p>Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on Shares.</p>
"Transmission of Shares"	15.a*+	<p>Any share of a deceased member may be transferred by his or her executors, administrators (after furnishing to the Board of Directors such documentary evidence as the Board of Directors may in their absolute discretion require including an appropriate indemnity) to the widow or widower or any such relative as aforesaid of such deceased member but only where such widow, widower or relative is a legatee under a will of the deceased or an heir(s), where the deceased has died intestate.</p>
"No transfer to minor or insolvent or person of unsound mind"	15.b*	<p>No share shall in any circumstances be transferred to a minor, insolvent or a person of unsound mind.</p>
"Transfer of Shares"	15.c*+	<p>Save as provided in Article 15.b of these Articles and subject to the provisions of Section 59 of the Act, the shares or debentures of the Company and any interest therein shall be freely transferable.</p>
"Title of survivors"	15.d*+	<p>In the case of death of any one or more of the persons named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained, shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.</p>

NOTICE

“Company not bound to recognize executors or Administrators or holders of a Succession Certificate”

16.*

Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or the legal representatives shall have first obtained probate or letters of administration or succession certificate as the case may be, from a duly constituted Court in India PROVIDED THAT in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate and under Article 17 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

“Transfer of Shares in favour of purchaser nominated by Board”

17.*+

Subject to the provisions of Articles 15.d and 16 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, insolvency or liquidation of any Member, by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or such title, as the Board thinks sufficient, either be registered itself / himself as the holder of the shares or elect to have some person nominated by it/him and approved by the Board, registered as such holder, provided, nevertheless, that if such person shall elect to have its/his nominee registered, it/he shall testify the election by execution in favour of its/his nominee an instrument of transfer in accordance with the provisions herein contained, and, until it/he does so, it/he shall not be freed from any liability in respect of the shares. If the Board refuses to register the transmission or transfer by the person becoming entitled to shares as aforesaid the Company shall comply with the provisions of Section 59 of the Act.

XIII. MODIFICATION OF RIGHTS

"Power to vary Shareholders' rights"	18.*+	Whenever the capital (by reason of the issue of Preference Shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provision of Section 48 of the Act, (including any statutory modification(s) or re-enactment thereof), be modified, commuted, affected, abrogated or otherwise varied subject to (a) the consent in writing by the holders of at least three-fourths in nominal value of the issued shares of the class concerned or (b) the sanction of a special resolution passed at a separate General Meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meetings, shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall, subject to the provisions of the Act, be the members holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.
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XIV. BORROWING POWERS

"Powers to borrow"	19.**+	Subject to the provisions of these Articles and the Act and the Companies (Acceptance of Deposits) Rules, 2014 or any statutory modifications thereof for the time being in force, the Board may from time to time at its discretion, by a resolution passed at a meeting of the Board and with the consent of the Company by passing a resolution in the General Meeting accept deposits from Members either in advance of calls or otherwise subject, however, that such deposits together with the amount of other deposits outstanding of the Company as on the date of acceptance or renewal of such deposits shall not exceed 25% of the aggregate of the paid-up share capital and free reserves of the Company.
	20.+	Subject to the provisions of Section 180 and other applicable provisions of the Act and any Rules framed there under, the Board of Directors of the Company may from time to time at its discretion, borrow money, by a resolution passed at a meeting of the Board. In the event, the money to be borrowed, together with the money already borrowed by the Company, exceeds the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, the Board shall exercise the powers to borrow such amount only with the consent of the Company by a special resolution in a General Meeting.

NOTICE

“Securities to be Subject to control of Directors”	21.**+	The Board may, subject to the provisions of the Act and other applicable law, raise or secure the repayment of such sum or sums including interest and other charges, if applicable, in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, redeemable debentures or debenture stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being. Debentures with the right to conversion into Shares or linked to allotment of Shares shall be issued in accordance with the provisions of the Act and only with the consent of the Company in General Meeting by way of a special resolution.
“Register of Charges”	22.**	The Board shall cause a proper Register to be kept in accordance with the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of the Act in that behalf to be duly complied with.
“Securities may be assignable”	23.*+	Subject to the provisions of the Act, any such debenture, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
“Terms of issue of debentures”	24.*+	Subject to the provisions of section 71 of the Act and other applicable provisions of the Act, any Debenture, debenture stock, bonds or other securities may be issued at discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise PROVIDED HOWEVER that no Debentures with right to conversion into or allotment of shares shall be issued except with the sanction of the Company in General Meeting.
XV. GENERAL MEETINGS		
“Power to Board to convene an Extra-Ordinary General meeting”	25.**+	The Board may, whenever it thinks fit, call an Extraordinary General Meeting, by giving not less than twenty-one days’ notice in writing.
“Business at General Meeting”	26.**	No General Meeting shall be competent to enter, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

XVI. PROCEEDINGS AT GENERAL MEETINGS

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

XVII. BOARD OF DIRECTORS

"Management of the Company"	30.**	The management of the Company shall vest in the Board of Directors.
"Constitution of Board"	31.**+	The Company shall have a Board of Directors comprising of not more than fifteen Directors and not less than three Directors.
	31.1**+^	GAIL shall have the right to nominate for appointment of one Director on the Board of the Company for every 10% Shares held by them in the Company. The Director(s) to be nominated by GAIL shall be the employee(s) of either GAIL or its Affiliate. GAIL shall have the right to nominate for appointment of Non - Executive and/ or Executive (Whole-time) Directors in terms of Article 34. For so long as the Government of Maharashtra holds not less than 10% shareholding in the Company, it shall have the right to nominate one Non-Executive Director on the Board of the Company. In the event of any change in the shareholding of GAIL in the Company, the number of Director(s) to be nominated by GAIL shall also be changed to reflect the change in the shareholding of GAIL as provided in this Article. GAIL whose shareholding in Company has changed, shall take steps to effect change in its representation at the Board as a result of such change in shareholding and (i) in case of reduction in the representation at the Board level cause its nominee Director to resign from the Board, not later than 30 (thirty) days of such change in shareholding or immediately in the case of a non-executive Director; or (ii) in case of increase in representation at the Board level by providing the name(s) of proposed director(s) within 30 (thirty) days of such change in shareholding or such further extended time that may be required by GAIL by providing a notice to the Company for such an appointment.

NOTICE

		<p>Notwithstanding the above, the total number of Directors to be nominated by GAIL shall not exceed half of the strength of the Board.</p>
"Appointment of Nominee Director not to affect the rights of and GAIL"	32.**+^	Any appointment of Directors to the Board at the request of financial institutions advancing loans to the Company shall not affect the rights of GAIL under Article 31.1**+ above.
"Nominee Director of Financial Institutions"	33.**+	In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject, however, to the limits prescribed by the Act. Any person so appointed may at any time be removed from office by the appointing authority who may from time of the death or resignation of such person, appoint any other in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification Shares.
"Power to nominate Chairman, Managing Director and Deputy Managing Director"	34.**+	<p>Subject to Article 31.1, where GAIL has the right to appoint more than two (2) directors, GAIL shall nominate the Chairman of the Company and additionally, it shall nominate one of its nominee directors as the Managing Director and one as Deputy Managing Director of the Company, both of whom shall serve on a full time non-retiring basis. If GAIL has the right to appoint only two (2) Director(s) (owing to its reduced shareholding in the Company) GAIL shall nominate the Chairman as well as the Managing Director of Company. However, if GAIL has the right to appoint only one Director (owing to its reduced Shareholding in the Company) such Director, nominated by GAIL, shall be the Managing Director of the Company and the Chairman shall be appointed by the Board. The Managing Director shall have the substantial powers and responsibilities for the management of the Company as laid out in the Act, and shall function under the superintendence, control and direction of the Board.</p> <p>For so long as GAIL holds more than one Director on the Board, the Chairman shall be nominated by GAIL.</p>
"Retirement of Directors by rotation"	35.**+	At every Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act, or if their number is not three nor a multiple of three, then, the number nearest to one third shall retire from office in accordance with the provisions of the Act

"Power to remove and nominate Directors"	36.**+^	The nominees of GAIL shall hold office of Director in the Company at the pleasure of GAIL. GAIL shall have the power to remove their respective nominees on the Board and to nominate another person in the vacancy thereby caused or caused in any other manner.
"Sitting Fees"	37.**+^	Directors shall be entitled to receive the sitting fees as prescribed under the Act. The Directors shall also be paid traveling and other expenses for attending and returning from meetings of the Board (and its committees) (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. Subject to the provisions of the Act and other applicable law, in addition to or in substitution of the sitting fees, Directors may also be paid commission not exceeding the maximum permissible limit
"First Directors"	38.**	The first Directors of the Company shall be : (1) Mr. C.N.H. Barker (2) Mr. S.E.A. Bensley (3) Mr. J.B. Stokes (4) Mr. P.S. Deodhar (5) Mr. B.S. Negi (6) Mr. C.R. Prasad
"Appointment of Alternate Director"	39.**+	Subject to the provisions of Sub section (2) of Section 161 of the Act, in the event that any Director (hereinafter referred to as the "Original Director") is away for a continuous period of not less than three (3) months from India, the Board of Directors may appoint an Alternate Director for him.
	39.1**+^	The person to be appointed as Alternate Director shall be selected by GAIL for whose representation the Original Director was appointed and the said Alternate Director shall be considered for purpose of ascertaining the quorum under these Articles and shall have all powers and responsibilities exercised by a Director of the Company.
"Appointment of Additional Directors"	40.**	Subject to the provisions of Sub section (1) of Section 161 of the Act, the Board shall have the power at any time and from time to time to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
"Qualification Shares"	41.**	A Director shall not be required to hold any qualification Shares.

NOTICE

XVIII. PROCEEDINGS OF THE BOARD

"Meeting of Directors"	42.**+	The Directors may meet as a Board for the dispatch of business from time to time, and at least four (4) such meetings shall be held in every year with a gap of not more than 120 days between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may be held in or outside India.
"Notice of Board Meeting and form of Notice"	43.**+	At least seven (07) days notice of every meeting of the Board shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by e-mail or by any electronic means. So far as practical such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board, provided, however, that a meeting of the Board may be convened by a shorter notice to transact urgent business, subject to the conditions mentioned in the section 173 of the Act.
"Quorum"	44.**+	The quorum for the Board of Directors shall be one-third (1/3) of the total strength of the Board for the time being or two (2) Directors whichever is more provided that there shall be no quorum unless at least one (1) Director nominated by each Member holding not less than 20% of the issued Shares in the Company is present, provided that if the meeting is not quorate due to absence of at least one Director nominated by each of the Members holding not less than 20% of the issued Shares in the Company, the meeting shall stand adjourned and a fresh notice would be issued for the adjourned meeting. All decisions of the Board shall be taken, to the extent possible on the unanimous basis. In the event such unanimity is not available on a particular issue after due deliberation and effort, the matter shall be decided by simple majority. Explanation – For the purpose of this Article, any fraction of a number shall be rounded off as one.
"Power to summon a Meeting"	45.**	A Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Board.
"Language of Meeting and Minutes"	46.**	Meetings of the Board shall be conducted in the English language and the Minutes of the Board of Directors meetings shall be recorded in writing in English.
"Casting Vote"	47.**	The Chairman of the Board of Directors meeting shall be entitled to a second or casting vote.

"Delegation of Powers to Committee or sub-committee"	48.**+	<p>The Board may subject to the provisions of the Act, and these Articles, delegate any of its powers to committees or sub-committees consisting of such Member or Members of their body as they think fit provided that every such committee or sub-committee shall, in the exercise of the powers so delegated confirm to any regulations that may, from time to time, be imposed by the Board. All acts done by any such committee or sub-committee in conformity with such regulations and in fulfilment of the purposes of their appointment, but not otherwise, shall have like force and effect as if done by the Board.</p>
	48.1**+^	<p>GAIL shall have the right to nominate one of its nominee Director(s) as a member of Audit and Nomination and Remuneration Committees of the Company, so long as GAIL has the right to nominate at least one Director under Article 31.1.</p>
"Regulation for Committee Meeting"	49.**^	<p>The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board as far as the same are applicable thereto and are not superseded by any regulations made by the Board in accordance with these Articles.</p> <p>Provided that, to be quorate, Nomination and Remuneration Committee of the Company shall require at least one (1) Director nominated by GAIL, subject to them holding not less than 10% of the issued shares, to be present. The Chair of this Committee shall be independently appointed by the Board of the Company.</p>
"Circular Resolution"	50.**+	<p>Save as otherwise expressly provided in the Act, and subject to Section</p> <p>175 of the Act, no resolution by circulation shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by a majority of the directors or members, who are entitled to vote on the resolution. Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.</p>

NOTICE

“Postal Ballot”	51.*+	The Board may, subject to the provisions of Section 110 of the Act, in case of resolutions relating to such business as declared by the Central Government by notification, or any other regulatory authority including the SEBI, to be conducted by postal ballot, shall, get any resolution passed by means of a postal ballot.
“Interested Directors not to participate”	52.**+	No Director shall, as a Director, take part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, connected with or interested in such contract or arrangement.
XIX. POWERS OF THE BOARD		
“Delegation of Powers”	53.**+	Subject to Section 179 of the Act, the Board shall have the right to delegate any of their powers to such Directors, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
“General Powers of the Board”	54.**	The Board shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by Members in the General Meeting.
XX. DIVIDENDS		
“Interest on Calls in advance but no right to dividend”	55.**	Where capital is paid up in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
“Right to receive Dividend”	56.*+	Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto in accordance with the provisions of the Act the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Shares of the Company but so that a partly paid-up share shall only entitle the holders with respect thereto to such a proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.
“Dividend to Registered Member”	57.**	A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

"Unpaid or Unclaimed Dividend"	58.+	<p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within seven days of the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".</p> <p>The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under Section 124 of the Act.</p> <p>The Board shall forfeit no unclaimed or unpaid dividend.</p>
XXI. ACCOUNTS		
"Books of Accounts"	59.**+	The Company will maintain separate satisfactory financial accounts and records in accordance with generally accepted accounting principles, standards and practices as required by Indian law and in accordance with section 128 of the Act.
"Audit of Books of Accounts and Safety Audit"	60.a**+	An audit of the books of accounts, records and affairs of the Company at the Company's expense shall be made each year immediately following the close of the fiscal year and within requirements of the Act by an international firm of chartered accountants recommended by the Board and appointed by the Company. A signed English copy of the report of the annual audit shall be submitted to each member of the Board of Directors.
XXII. SECRECY		
"Secrecy Clause"	61.**+	Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

NOTICE

		XXIII. SEAL
“The Seal, its custody and use”	62.**+	The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be in the presence of and shall be signed by a Director and countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose, provided the certificates of Shares or Debentures (if any) of the Company shall be sealed and signed in the manner provided for by the Companies (Share Capital and Debenture) Rules, 2014 or any statutory amendment thereof for the time being in force. Subject to provisions of the Act, the Company may have a facsimile copy of the common seal for use as its official seal outside India.
		XXIV. INDEMNITY
“Indemnity to Directors and others”	63.*+	Subject to the provisions of the Act, every Director, Managing Director, Manager or Officer of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him as such director, manager, managing director, officer of which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. Nothing herein contained shall apply to the constituted attorney of the Company unless such attorney is or is deemed to be an Officer of the Company.
“Responsibility of Directors and other Officers”	64.*	Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other directors or officers or for joining in any receipt or other act for conformity or for any loss or expenses incurred by the Company through the insufficiency or deficiency in title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upto which any of the moneys of the Company shall be invested, or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error or judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

NOTES :

- 1 (*) Insertion of new Article approved and adopted by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003 and (**) consequent upon the insertion of new Articles and deletion of the existing Articles 7, 8, 9 and 10 from the pre-amended Articles of Association, the serial number of Articles have been appropriately amended as approved by the Members in the Eighth Annual General Meeting of the Company held on September 23, 2003.
- 2.(***) Insertion of an additional sentence at the end of Article No. 34 pursuant to the Special Resolution passed at the Annual General Meeting of the Shareholders of the Company held on August 08, 2012.
Consequently Article 34 has been altered and modified appropriately.
- 3.(+) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on November 6, 2015.
- 4.(#) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the extraordinary general meeting of the Company held on March 30, 2016.
5. New set of Articles of Association approved and adopted by the Members in the 21st Annual General Meeting of the Company held on September 26, 2016.
6. New set of Articles of Association approved and adopted w.e.f. November 24, 2018 by the Company upon passing of the Special Resolution by the Members through the postal ballot including e-voting vide postal ballot notice dated October 23, 2018.
- 7.(^) Alteration of existing Articles, including insertion, deletion and modification of the Articles, approved and adopted by the Members in the annual general meeting of the Company held on September 28, 2021.



Delivering Beyond call of duty

ANNUAL REPORT 2020-21



MAHANAGAR GAS LIMITED

INSIDE THIS REPORT

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.

Corporate Overview

Going Beyond	04
Corporate Information	08
Board of Directors	10
All About Mahanagar Gas Limited	14
Natural Gas Distribution Chain	15
Business Segment Overview	16
Our Expansive Network	20
Looking Back With Pride	22
Chairman's Message	24
Message from Managing Director	26
Serving Society in Times of Adversity. Caring for our Employees & Customers.	30
Embracing Digital Transformation. Using Technology for Better Engagement.	32
Setting Standards – To Ensure Safety	34
Accelerating Performance - With our People	36
Driving Digital Efficiency	38
Committed to Holistic Care	39

Statutory Reports

Management Discussion and Analysis	46
Directors' Report	70
Business Responsibility Report	101
Corporate Governance Report	115

Financial Statements

Independent Auditor's Report	150
Balance Sheet	164
Statement of Profit and Loss	165
Statement of Cash Flows	166
Notes to the Financial Statements	169
Abbreviations	215



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Limited

Website : www.mahanagargas.com

Sustainability lies at the core of our operations – to open the doors of a new energy future, to usher a new dawn of opportunities and to continuously reaffirm trust.

In a world with limited supplies and a burgeoning energy demand, the carrying capacity of the global ecosystem is highly overwhelmed. To ease the burden and to limit our carbon footprint, at Mahanagar Gas Limited (MGL) we endeavour to adopt and encourage the use of a reliable, efficient and cleaner fuel – to responsibly sustain the use of greener sources of energy.

In comparison to conventional sources of energy, natural gas remains a favourable choice, fostering our commitment towards a green future. Building on its 25 year old legacy, MGL is perfectly poised to create an energy-efficient future – banking on its scale, size and expertise to efficiently fulfil the escalating natural gas demand evident in its key markets.

As the Company reiterates its position as a trusted natural gas supplier, it remains steadfast to further expand and extend green footprints –far and wide - taking strides to responsibly fuel India.



GOING BEYOND



GOING BEYOND

COUNTERING COVID-19

During COVID-19 pandemic, your Company extended its helping hand by way of sponsoring community kitchens and rations to needy families, donating medical equipment and by providing cash support to Maharashtra State Disaster Relief Management Fund.

The battle was also fought to ensure absolute reliability of our operations during the raging pandemic so that no customer is inconvenienced.

More than a year ago when it first showed its face, the COVID-19 pandemic caused widespread disruption of lives and livelihoods of people. The suddenness with which it hit all of us was unprecedented. However, at MGL, we were not to be overwhelmed. For us, meeting the needs of our customers is paramount and non-negotiable – whatever may be the

challenges. We had earlier deftly handled the fury of Mumbai flood but that was for a far shorter period. This time the challenge was more sustained and of a greater degree. But we rose to the occasion by making our customers the centre-piece of our focus in such a time of crisis. Besides, as with any people-oriented company, MGL stood by its employees – supporting them in every way we could because that's what family members do – they look out for each other.

Our employees stretched themselves beyond normal call of duty. The fact that our last mile staff have put themselves in harm's way to keep serving our customers and community in the field, speaks volumes of their commitment and their big hearts. Our dedicated teams have been attending customers' requests at their premises while following COVID-19 protocols. The senior management regularly touched base with worksite personnel to build confidence and

We are in this together and we will ride through this, together.

GOING BEYOND

We also commenced gas supplies to KEM & TB Hospitals, Desai Hospital, SK Patil Hospital, Baba Saheb Ambedkar Hospital and Bhagwati Hospital during lockdown to support the war against COVID-19.

to keep their morale high. Ensuring that operations remain unhindered even when the pandemic raged on remained our top priority. But challenges were many – both on men and material fronts, but we look back with some satisfaction on a job well done.

With regard to project roll out, we faced a number of challenges. Generally speaking, execution of CGD work in Mumbai Metropolitan Region (MMR) is a challenging task viewed in the backdrop of (a) congested working environment at many places with jungle of underground utilities already laid (b) restricted period for construction and (c) tortuous process of obtaining permissions. Moreover, Maharashtra in general and MMR in particular, bore the brunt of COVID-19 pandemic. Even after lifting of the full lockdown that was imposed countrywide, strict partial lockdowns continued in MMR due to large number of cases. This dented roll out of MGL's PNG and CNG infrastructure when we had to face (a) flight of migrant labour and shortage of site manpower especially labourers and plumbers (b) long delays in obtaining permissions from statutory authorities (c) severe restrictions in movement across MMR (d) resistance in allowing MGL to work inside societies and flats etc.

Nonetheless, we managed to start project activities once the lockdown started getting partially lifted. We launched Plumber Incentive Scheme to bring back the plumbers and held very close coordination / liaising with local authorities for getting permissions for laying pipelines. Safety gear, like, face-

masks, face-shields etc. were distributed to the field staff. Training and Tool-Box-Talk were conducted for these staff by our senior team members. This gave a lot of confidence to the societies who slowly started allowing our people to work in their premises. Penetration percentage in the buildings was increased with the help of additional marketing efforts. This helped in generating revenue from already gasified buildings. We also commenced gas supplies to KEM & TB Hospitals, Desai Hospital, SK Patil Hospital, Baba Saheb Ambedkar Hospital and Bhagwati Hospital during lockdown to support the war against COVID-19.

On the customer service front, your Company used digital innovation to improve our employee's productivity and provide our customers with the best possible experience. We launched as well as strengthened a host of digital initiatives with the aim of making life easy for our customers. Thus, your Company has added a new dimension to customer engagement and looks forward to developing it further to provide a more seamless experience.

Some key ways in how we have impacted PNG customers:

- Customers can visit Company's website and view their current and past 03 bills, check details of past payments made against dues, make payments electronically using UPI, e-NACH, Net Banking, NEFT etc. and settle their dues via online payments.
- MGL PNG bills are also dispatched by SMS Links. By clicking the link, a bill can be viewed and by clicking the UPI QR

code or MGL Logo, it will take one to the payment page for settling the gas bill and to save the bill in system for future reference.

- Customers can now log their complaints on any service-related issue by easily selecting the pre-set categories or nature of complaints from the drop-down menu.
- Customers can provide meter readings by themselves using a link sent during the billing cycle by uploading a photo of their meter reading image which is utilized to bill the customer. Further, one can generate bill on the appointed bill date as per the SMS to view the bill and make payment. This helps a customer to receive a bill at actuals at the customers convenience.
- Customers can receive automated push notifications through which various alerts, like, payment receipt, meter reader visit date etc. are notified to the customers.

Some key ways in how we have impacted CNG customers:

- Customers can conveniently track the location of the nearest CNG station with MGL Connect App.
- Customers can now easily access all the information about CNG prices and the amount saved them by using CNG over other alternative fuels.
- Customers can get information about CNG Kit suppliers and Hydro-Testing Centres, tips on CNG vehicle maintenance, car models available in the CNG variant etc.
- In CNG outlets, customers can make payments electronically via UPI, cards,

wallets, MGL Fuel prepaid cards, as per their convenience.

- Through our financially prudent approach to business, we have been continuously delivering great value to the shareholders. To be competitive and earn the best possible ROIs from our investments, MGL has always endeavoured to keep its costs under control. This cost consciousness, along with our obsession with asset productivity and returns, generates the lowest operating costs in the country. We believe that being fiscally prudent, operationally efficient and competitively relevant, are strong pillars for creating value. Our fundamental belief is in pursuing strong returns for our stakeholders.

Going forward, our future looks strong. Your Company is pursuing all avenues for reaching every customer requiring gas in our licensed areas. We are striving to establish many more CNG fuelling stations to expand our reach. As the vehicle conversions/ new vehicles by OEM on CNG are expected to grow rapidly primarily driven by the substantial economic and environmental benefits, demand for such cleaner and cheaper fuel shall increase in the coming years. With the population of CNG fuelled cars growing, we are advantageously placed to capture the benefits of the growing demand for CNG in our areas of operation. MGL has the good fortune of operating in one of the most economically advanced and lucrative territories within the country and we are increasingly using social media for interactions as well as for disseminating regular updates to our customers.

We launched and strengthened a host of digital initiatives with the aim of making life easy for our customers. Doing so, we have added a new dimension to customer engagement and look forward to developing it further to provide a more seamless experience.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj Jain
Chairman

Mr. Sanjib Datta
Managing Director

Mr. Deepak Sawant
Deputy Managing Director
(Upto 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)

Mrs. Radhika Vijay Haribhakti
Woman Independent Director
(Upto September 25, 2020)

Mr. Raj Kishore Tewari
Independent Director
(Upto March 31, 2021)

Mr. Premesh Kumar Jain
Independent Director
(Upto April 20, 2021)

Mr. Syed S. Hussain
Independent Director

Ms. Malvika Sinha
Woman 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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Saghan Srivastava
(Upto November 12, 2020)

Mr. Atul Prabhu
(w.e.f. February 09, 2021)

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. S R B C & CO LLP
Chartered Accountants,
12th Floor, The Ruby, 29 Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028

COST AUDITORS

M/s. Dhananjay V. Joshi & Associates
Cost Accountants,
“CMA Pride” Ground Floor, Plot No. 6,
S. # 16/6, Erandawana Co.op. Hsg. Soc.,
Erandawana, Pune 411 004

SECRETARIAL AUDITORS

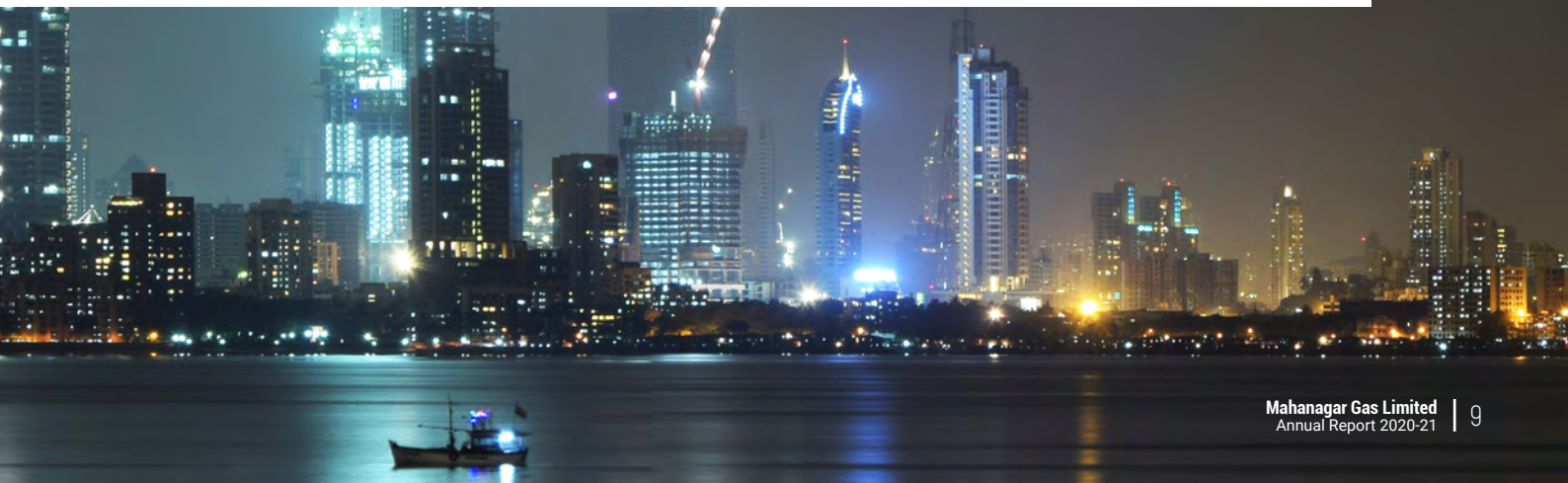
M/s. Dholakia & Associates, LLP
Company Secretaries,
A/302, Sarvodaya CHSL, Bldg No. 11,
Nr. P.F. Office, Khernagar, Bandra (East),
Mumbai – 400 051

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



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 with GAIL (India) Ltd. 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 and Managing Director of GAIL (India) Limited, Mr. Manoj Jain is also currently Chairman of GAIL GLOBAL (USA) Inc. (GGUI), GAIL GLOBAL (USA) LNG LLC (GGULL), Brahmaputra Cracker & Polymer Limited, GAIL Gas Limited and Mahanagar Gas 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 commingled gases.



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. Datta has been heading the Business Development functions in GAIL (India) Limited as an Executive Director. He has 32+ 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. 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 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 (MGL) with effect from May 24, 2021. Mr. Sanjay Shende 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, from 2000 onwards, 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, Mr. Shende 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 has been heading GAIL's Hyderabad zonal office looking after the marketing activities for GAIL as well as boundary management in Andhra Pradesh and Telangana. Prior to joining GAIL, Mr. Shende worked at Hindustan Petroleum Corporation Limited and Indian Petrochemicals Corporation Limited.



Mr. Baldev Singh - Director

Mr. Baldev Harpal Singh has been appointed as Director effective from April 28, 2021.

Mr. 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).

Mr. Baldev Singh has been recently appointed 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 - Director

Mr. Syed S. Hussain has been appointed as an Independent Non-Executive Director effective from September 09, 2019.

Mr. Hussain graduated in B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. He has also completed his M.Sc. in Administrative Sciences and Development Problems from University of York, U.K., England. Mr. Hussain has done a course on Health Sector reforms and Sustenance at World Bank, Washington D.C., U.S. as well a Short Term training program on infrastructure in market economy (Public Private Partnership Project) in changing world, J.F. Kennedy Business School, Harvard University, Boston, U.S. Mr. Hussain has experience and expertise in Public Policy Planning and Implementation.

He belongs to 1973 batch of Indian Revenue Service (IRS) and 1976 batch of Indian Administrative Service (IAS), Maharashtra cadre. Mr. Hussain retired as Vice-Chairman and Managing Director of City & Industrial Development Corp. of Maharashtra Ltd. (CIDCO). He has worked as Chairman of JNPT and Joint Managing Director of CIDCO.

Prior to taking over the charge of Additional Chief Secretary, GOM, he has held the posts of Principal Secretary of Public Health, Revenue, Forest and Rural Development departments. He was also the CEO of Zilla Parishad, Nagpur and District Collector & Magistrate, Latur and Nasik, Maharashtra.

Mr. Syed Hussain was awarded with "Business Leader of the year - Ports" award at Leadership & Excellence Awards Shipping, Marine & Ports 2010 and also bestowed with "Maritime Gateway - Major Port of the year" Award consecutively for two years during his tenure as Chairman of JNPT.



Ms. Malvika Sinha - Director

Ms. Malvika Sinha has been appointed as an Independent Non-Executive Director effective from August 24, 2021.

Ms. Malvika Sinha holds a Masters' Degree in Public Administration from the Woodrow Wilson School of Public and International Affairs, Princeton University, USA, and a Masters' Degree in Arts from Elphinstone College, Mumbai University. Additionally, she is a Certified Associate of the Indian Institute of Banking.

Ms. Sinha joined the Reserve Bank of India in 1982 as a career Central Banker and after serving the Reserve Bank of India ("RBI") for 38 years in various capacities, she retired as Executive Director in February 2020. As Executive Director at RBI, she was in charge of the Human Resource Development, Foreign Exchange Department, Internal Debt Management Department and Deposit Insurance and Credit Guarantee Department and had the executive responsibility for the operations of these departments and overseeing policy formulation in these areas. She was responsible for recruiting, posting, promotion, training, industrial relations, and policies for around 15,000 employees of the RBI.

She has served as 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 both the Institute of Banking and Finance & Institute of Banking Personnel Selection.



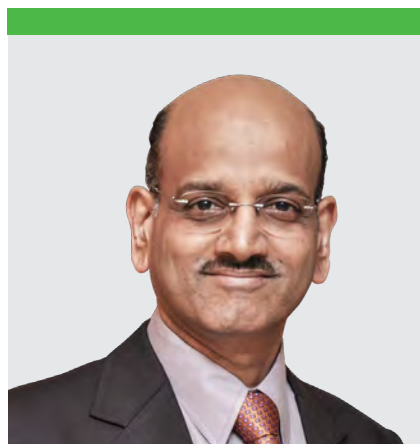
Mr. Rajeev Bhaskar Sahi - Director

Mr. Rajeev Bhaskar Sahi has been appointed as an Independent Non-Executive Director effective from August 24, 2021.

Mr. Rajeev Bhaskar Sahi did his Post Graduate Program (MBA) in Finance and Marketing from Indian Institute of Management, Ahmedabad. He has also completed Marketing Management Program in Brand Management from International Columbia University - Columbia Business School, USA.

Mr. Sahi has over 35 years of varied experience in the petroleum, media, hospitality, education and retail sectors. He had steered multiple functions including Corporate Planning, Operations, Logistics, Finance, Sales and Marketing, Organizational Restructuring and grassroot Project Implementation.

He is currently a Volunteer at Ramakrishna Mission, based at Mumbai. Mr. Rajeev Sahi was Group CEO of Kwaliti Group of Companies, Delhi from 2012 to 2016. He was CEO of Career Knowledge Resources Pvt. Ltd. from 2010 to 2011. He also acted as CEO for International Business of Essel Group Corporate Resources Private Limited from 2008 to 2009. He was President, Retail Petroleum Business of Reliance Industries Limited from 2001 to 2008. He has held various positions including that of General Manager at Bharat Petroleum from 1981 to 2001.



Mr. Venkatraman Srinivasan - Director

Mr. Venkatraman Srinivasan has been appointed as an Independent Non-Executive Director effective from August 24, 2021.

Mr. Venkatraman Srinivasan is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He completed his graduation in Commerce from 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.

Mr. Venkatraman Srinivasan 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 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.

ALL ABOUT MAHANAGAR GAS LIMITED

Incorporated in 1995, Mahanagar Gas Limited (MGL) today is one of the leading Natural Gas Distribution Companies in India. MGL is the sole authorized distributor of compressed natural gas (CNG) and piped natural gas (PNG) in Mumbai, Thane (Urban and adjoining Municipality) and Raigad district of Maharashtra. Promoted by GAIL (India) Limited, the largest state-owned natural gas processing and distribution Company in India, MGL distributes CNG for motor vehicles and PNG for domestic, commercial as well as industrial use.

MGL believes in maintaining safe and uninterrupted supply of natural gas through an extensive CGD network. The Company has exclusive authorization to operate, lay, build and expand pipelines in Mumbai, Thane (Urban) and adjoining Municipalities, along with Raigad district in accordance with the Petroleum and Natural Gas Regulatory Board Regulations 2008.

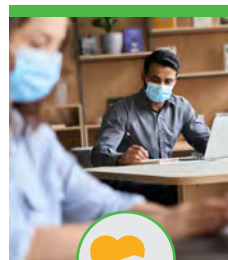
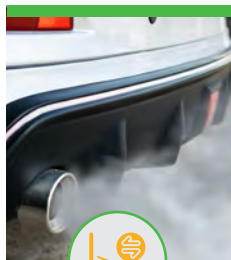
Our vision

To be a World Class, Consumer & Environment Friendly, Employer of Choice; committed to provide Safe, Efficient and Reliable energy; while creating Value for all our Stakeholders.



Our Objectives & Goals are

- To contribute towards the reduction of pollution in and around Mumbai and beyond.
- To continuously increase the level of consumer satisfaction and provide quality value added service.
- To be a leading company in health and safety performance.
- To expand the area of operations in Mumbai and beyond.



NATURAL GAS DISTRIBUTION CHAIN



BUSINESS SEGMENT OVERVIEW

PNG

With a wide network of over 5,900 kms of carbon steel (CS) and polyethylene (PE) pipeline, MGL has the distinction of pioneering the Natural Gas distribution network in Mumbai and its adjoining areas, serving over 1.60 million domestic connectivity.

Domestic PNG is used for various purposes like cooking and water heating. It is also widely used in hospitals, nursing homes, hotels, flight kitchens, restaurants, places of worship etc. PNG efficiently satisfies fuel requirements across all segments and is a non-polluting and an economical energy source.

Highlights of FY 2020-21

- We improved our PNG coverage by adding 83,198 burning customers during the year, thereby taking our cumulative customer base to more than 1.25 million households
- We added 249 industrial and commercial customers, to reach over 4,110 small commercial establishments and 82 industrial establishments
- We augmented the capacity of 20 stations to serve an estimated 0.79 million vehicles
- We propelled the current compression capacity to about 36.35 lakh kg/day, an increase in capacity by 1.24 lakh kg/day
- We have also expanded our network in Raigad with 18 CNG stations and we plan to add more stations in the coming financial year

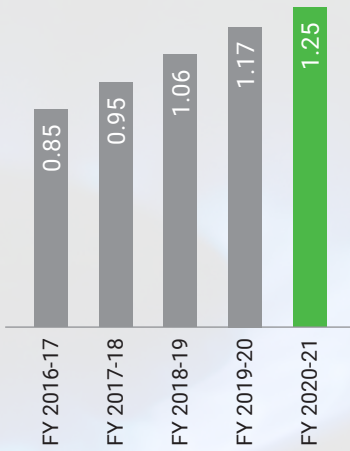
Future plan

- Maintain a superior safety record
- Enhance the pipeline development program
- Continue to deploy methods to reduce methane emissions from gas infrastructure and operations
- Continue to improve customer experience

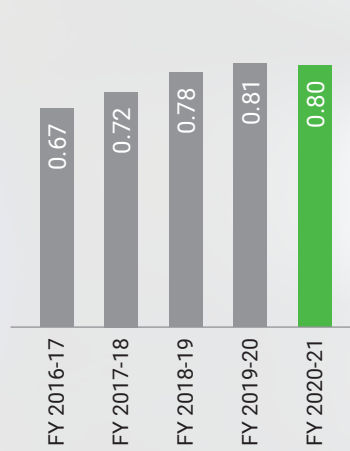
Our Gas distribution chain for domestic PNG

KEY STATISTICS

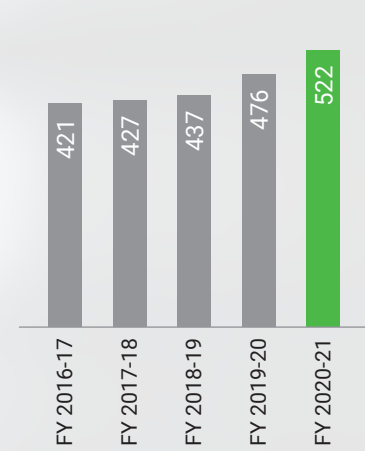
PNG BURNING CUSTOMERS (Millions)



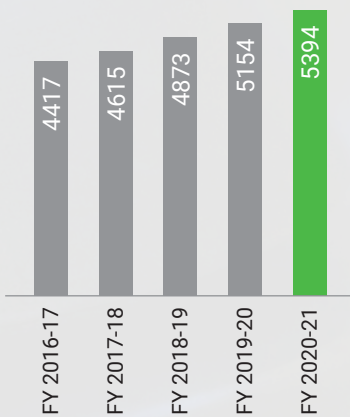
PNG VOLUME (MMSCMD) INCLUSIVE OF I&C



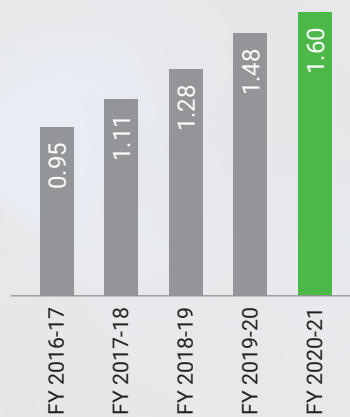
STEEL PIPELINE (in Kms)



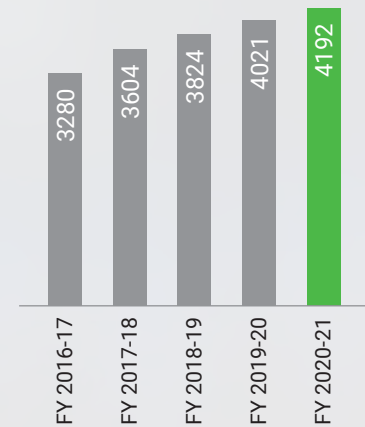
PE PIPELINE (in Kms) (MP +LP)



DOMESTIC CONNECTIVITY (Millions)



COMMERCIAL AND INDUSTRIAL CUSTOMERS (in Nos)



BUSINESS SEGMENT OVERVIEW

CNG

With a well-established network of 271 CNG stations and over 1611 dispensing points spread across Mumbai and its adjoining areas, we offer CNG, an extremely efficient fossil fuel substitute for replacing the use of petrol, diesel, and auto LPG in automobiles.

At present, all auto-rickshaws and taxies plying in an around our areas of operation are fuelled by CNG. Additionally, CNG is supplied to buses of BEST, TMT, MSRTC & NMMT. Apart from these, various types of light and heavy vehicles also run on CNG.

In comparison to conventional auto-fuel, CNG is substantially economical and is an eco-friendly alternative. Moreover, it is easily accessible in and around Mumbai, making it a preferred choice for customers in this region.

Highlights of FY 2020-21

- MGL won the prestigious GREENTECH Safety Platinum Award 2020 for 'Safety Excellence'.
- To commemorate 25 years of MGL's journey, a Commemorative Volume, Special Postage Stamp and Cover were released. The Special Postage Stamp and Special Cover were released in Mumbai at the hands of Shri Harish Chand Agrawal, Chief Postmaster General, Maharashtra Circle, in the presence of MD, DMD, CFO and other senior dignitaries.
- Foundation Stone Laying ceremony of LNG facility at Savroli was done through Video Conferencing by Hon. Minister for MoPNG & Steel, Shri. Dharmendra Pradhan on 19th November, 2020.
- MGL successfully commenced off taking of 3300 MMBTU of gas from RIL's R Cluster Gas Field (D34) of Block KG-DWN-98/3 (KG D6) from 18th January 2021.
- Successfully completed the following two critical crossing of 8" NB Dia Steel Pipeline for length of 987 mtrs through HDD method. These continuities will help in gasification of Ulwe and proposed Navi Mumbai Airport.
 - HDD Crossing at Belapur creek for length of 722 mtrs.
 - HDD Crossing at Kila junction, Belapur for length of 265 mtrs.
- Commenced SMS Link enabled Meter Reading activity with OCR application.

CSR Key highlights

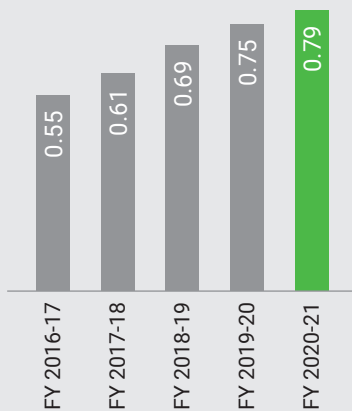
- Acknowledging the significant contribution made by MGL to the Society during the COVID-19 pandemic, MGL was felicitated as 'COVID Warrior' by Hon. Governor of Maharashtra.
- MGL was conferred with National Awards for Excellence in CSR & Sustainability for Best Covid-19 solution for Community Care.

Future plan

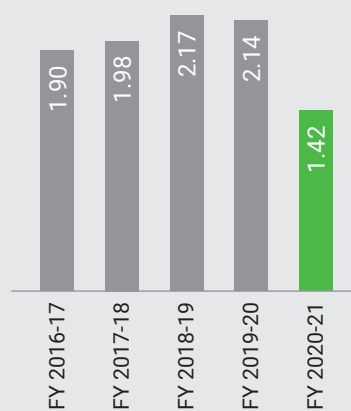
- We plan to further augment our coverage area by taking our services to an additional 11 lakh households and 400 CNG stations
- We plan to expand the steel pipeline network to around 600 kms, and the PE pipeline network to over 7,600 kms

KEY STATISTICS

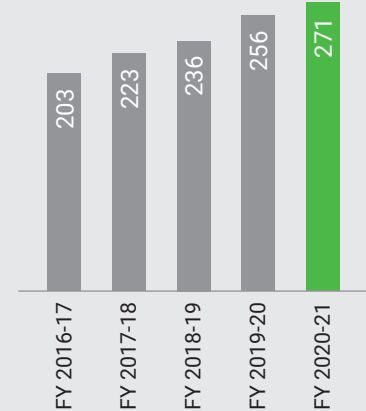
CNG CUSTOMERS (Millions)



CNG VOLUME (MMSCMD)

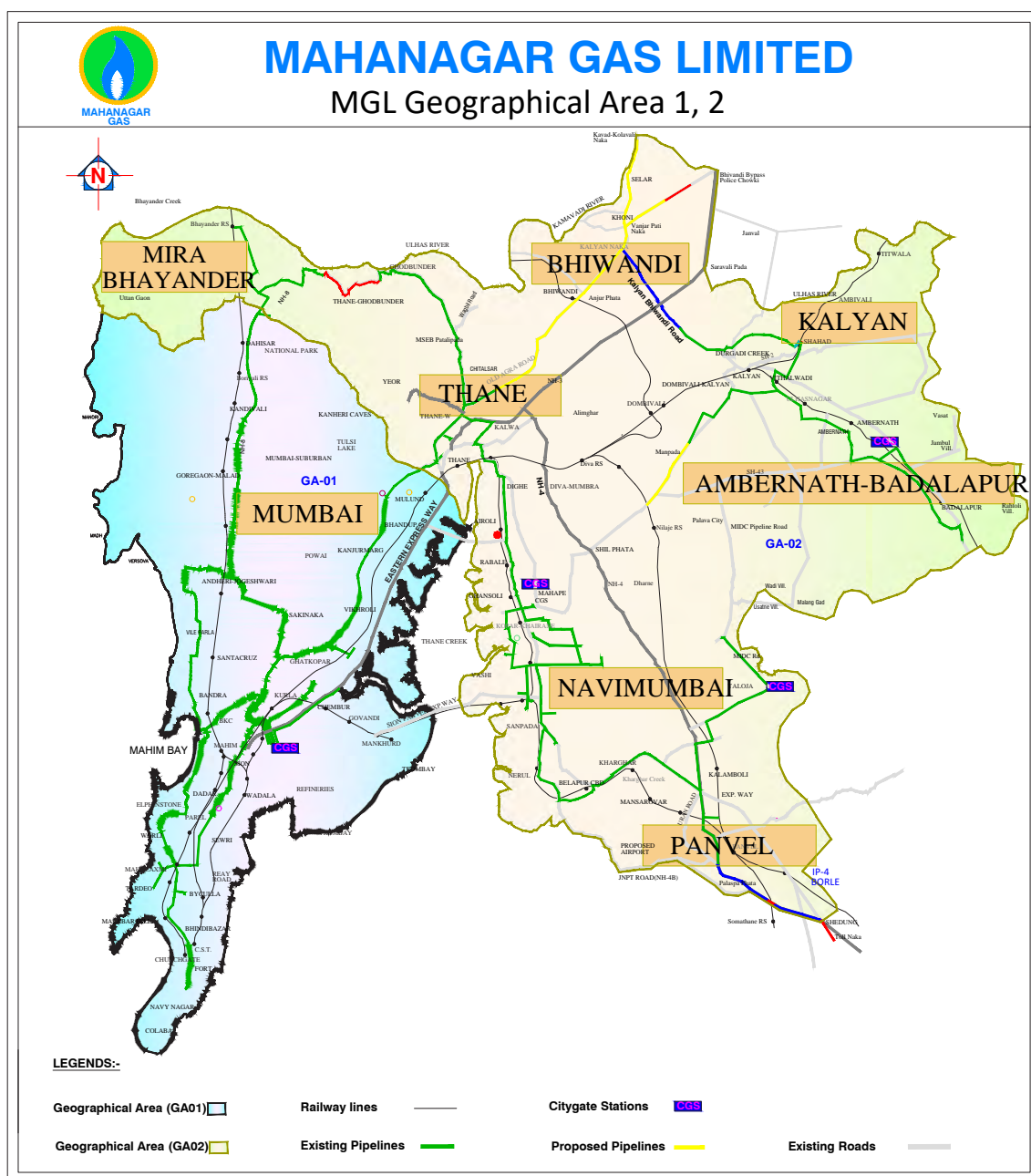


CNG STATIONS (Nos)

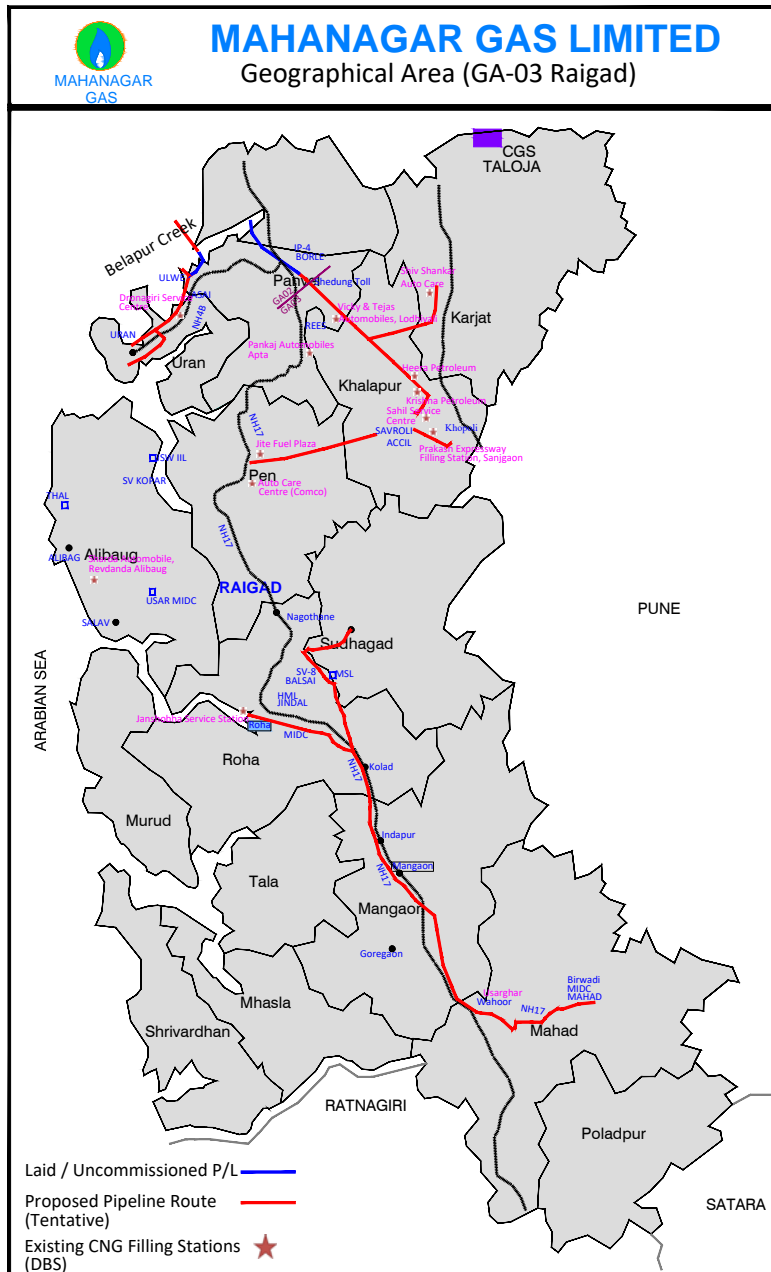


OUR EXPANSIVE NETWORK

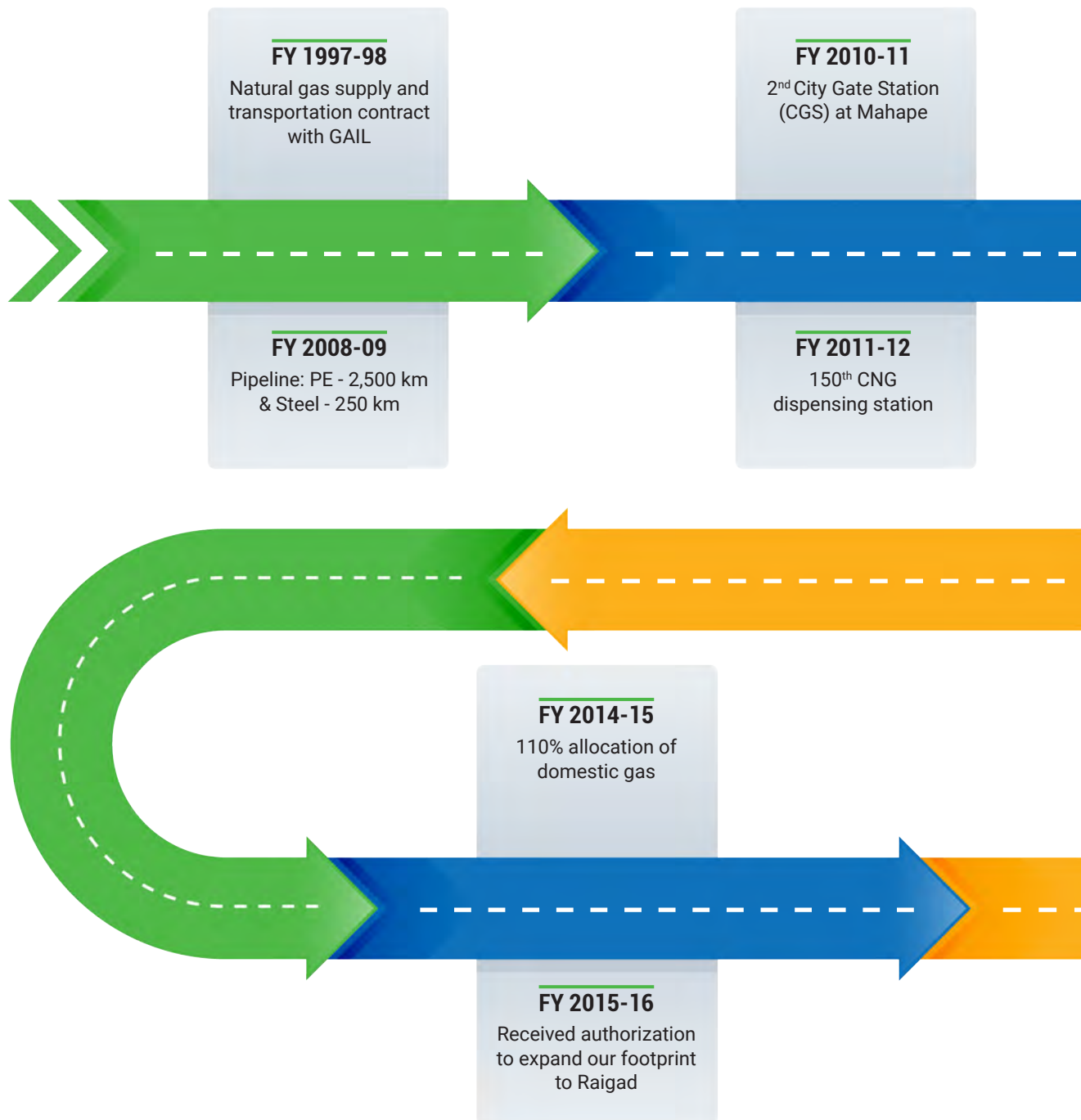
GAS DISTRIBUTION NETWORK
GEOGRAPHICAL AREA (GA-1 AND GA-2)

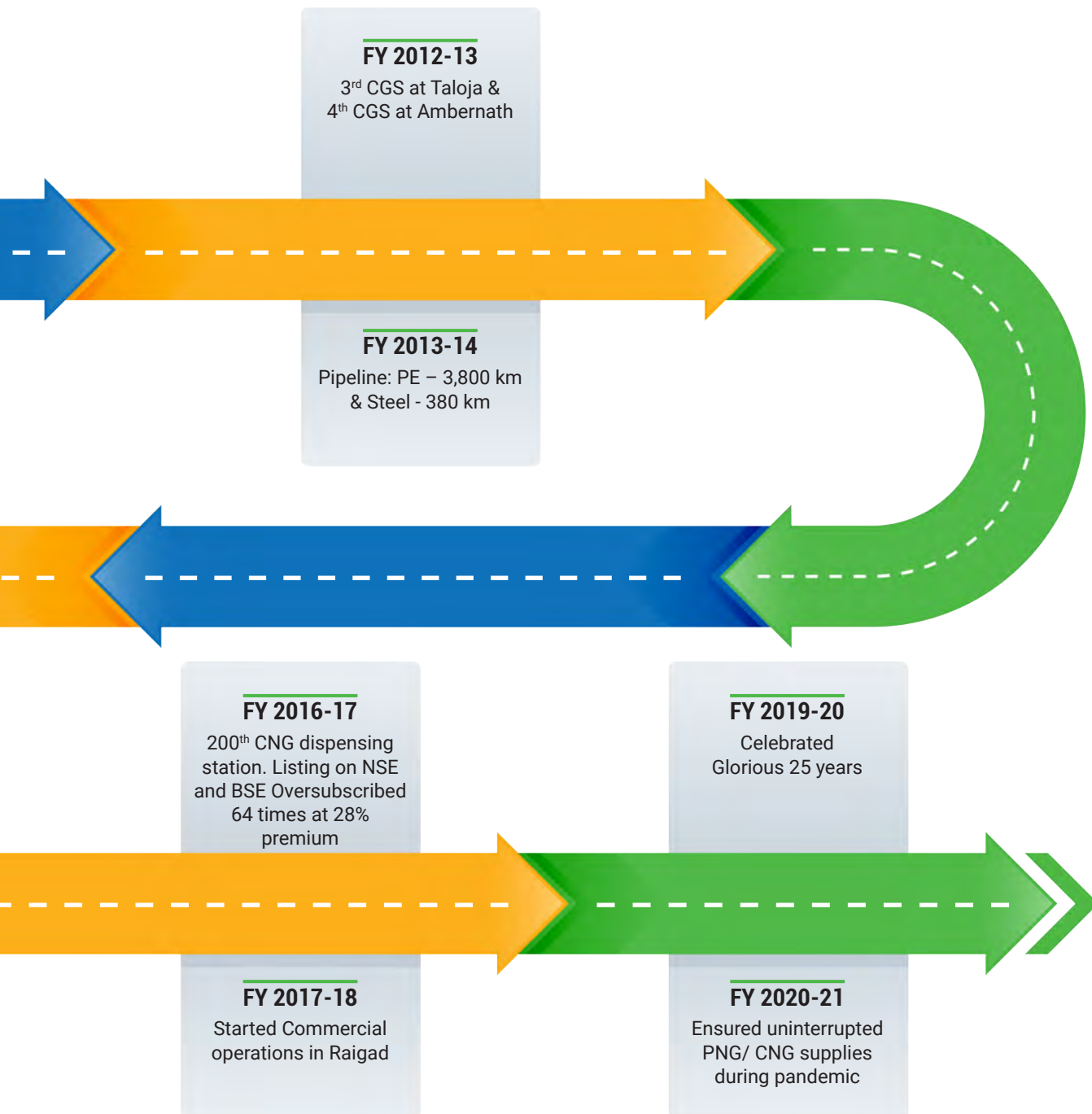


NEW AUTHORISED AREA FOR GAS DISTRIBUTION NETWORK (GA-3)



LOOKING BACK WITH PRIDE





CHAIRMAN'S MESSAGE



We withstood this once-in-a-century disruption remarkably well and successfully maintained an uninterrupted supply of gas in our geographical areas. Our new-age digital capabilities have helped us to sustain our operations, and press ahead with our longer-term objectives for growth and value creation.

– **Manoj Jain**
Chairman

Dear Shareholders,

As we step into our 27th year, I consider it my privilege to present your Company's performance review for the Financial Year 2021 (FY20-21).

The wrath of COVID-19 spared no economy from an unprecedented downturn during this period. The debilitating effect of the pandemic has left many companies struggling for survival. On the contrary, your Company has managed to withstand this once-in-a-century disruption remarkably well. Throughout this period, your Company was able to successfully maintain an uninterrupted supply of gas in its geographical areas. Its extensive industrial expertise coupled with new-age digital capabilities have helped your Company to sustain its operations, while also pressing ahead with its longer-term objectives for growth and enhancing value for its stakeholders.

The resurgence of COVID-19 second wave has posed a renewed threat to the 'V' shaped economic recovery that was anticipated earlier and would likely have a bearing on India's GDP growth rate in FY21-22. Even though both local and global economic indicators would remain largely unfavorable for the short to medium term, your Company foresees a continued and steady growth in the years to come. Your Company's value proposition of delivering unmatched convenience, safety, reliability, and environmental friendliness to consumers apart from being economical continues to remain intact. Your Company is also comforted by the fact that a war-footing drive towards vaccinating large segments of our population will eventually bear fruit towards a resurging economy.

OPERATIONAL REVIEW

During FY2021, in addition to our financial growth, we are successful in improving our operational efficiencies. We added 15 new and upgraded 20 existing CNG stations. Moreover, we were able to provide PNG connectivity to more than 120,000 households and 249 new industrial and commercial customers came into our fold.

As far as routine expansion programs are considered, your Company is making efforts to capitalise on the enormous growth potential within the service areas. For instance, it has expanded its CNG operations in Raigad by operating 18 CNG stations in FY2021 and is planning to add 12 more stations in the coming year. It is also planning to extend the supply services across 5-6 towns including Pen, Ulwe, Roha, and Karjat amongst others. Your

Company intends to do this initially with the help of a virtual pipeline network to serve domestic PNG customers.

Your Company has set up CNG Mobile Refueling Unit in Panvel, Raigad area for field technical trial of mobile fueling. Commencement of commercial operations of this unit is planned for the coming year.

OUR LONG TERM VISION

At MGL, we aim to be a customer centric gas company committed to provide safe, efficient, and reliable energy. We aim to create standards and become a peer benchmark for the industry, as a standard-bearer in terms of safety, operating efficiency, strong financial performance, and value creation for stakeholders.

Our existing territories are amongst the most developed and advanced in India. This bodes well for us to see sustained organic growth well into the future. Nevertheless, we are keenly exploring the idea of growing by adding new territories. In order to drive its vision of a gas based economy, Government of India has rolled out multiple initiatives to push both the production and consumption of gas in the country. One such initiative is conducting bidding rounds for setting up CGD networks for new geographical areas. With smart cities coming up at a faster rate, the business case for CGD networks will certainly get promoted, paving the way for CGD companies. Your Company aims to participate prudently in this opportunity and target accelerated growth through partnerships and alliances.

249

New industrial and commercial customers added during FY20-21

IN CONCLUSION

On behalf of the Board of Directors and the entire management team, I would like to thank you for your trust and support as we continue our journey to be amongst the top performing CGD companies. We look forward to remain committed and focused on creating long-term shareholder value while demonstrating leadership in safety and environmental stewardship in all aspects of our business.

Manoj Jain
Chairman

MESSAGE FROM MANAGING DIRECTOR



In the face of headwinds from the pandemic and ensuing economic crisis, we have stood strong and purpose driven – representing resilience, strength, discipline, and agility – with a focus on bringing positive changes in the lives of all stakeholders.

– **Sanjib Datta**
Managing Director

Dear Shareholders,

The last fiscal had been challenging as the world went through a severe humanitarian crisis impacting the lives and livelihoods of large swathes of people across the globe. Despite the difficulties the year posed, I hope that you and your loved ones are healthy and safe. My prayers and thoughts are with every one impacted by the COVID-19 pandemic.

I want to assure you that even in these turbulent times of economic and social disruptions, your Company has taken all necessary steps to effectively manage the various risks posed to the business and navigate it safely through them. Your Company has made all efforts to take good care of its staff, customers, stakeholders, and all its physical assets. In the face of headwinds from the pandemic and ensuing economic crisis, your

Company has stood strong and purpose driven – representing resilience, strength, discipline, and agility – with a focus on bringing positive changes in the lives of all stakeholders.

Among many things that your Company has done during this pandemic situation is accelerating the adoption of digital technologies across all facets of its operations. Our Information Technology (IT) department picked up the gauntlet and ensured reliable and high quality services, on site as well as through remote access and galvanised our staff to work beyond normal expectations. Creating a digital ecosystem has now become a key priority for every corporate as the world has clearly adopted it as a 'new normal' accelerated by this pandemic.

FY2021 was certainly an inflection point and a true catalyst for our customers to drive their own transformational efforts. To accelerate the change, your Company took several steps to incentivize its customers to use the digital channels more extensively. Through its new digital channels, your Company has a great opportunity to partner with its customers in an efficient way based on deep knowledge of its business processes, industry nuances, and the mutual trust that has been established over the years through its strong brand promise. The results of digital adoption both internally and externally at MGL have been remarkable.

Under the trying circumstances prevailing in FY2021, your Company continued with its network expansion program by adding 15 new and upgrading 20 CNG stations.

Your Company has lived up to the expectations of all its customers, which is a testimony to the resilience and dedication of every single member of the team.

Also PNG connectivity to more than 120,000 households and 249 commercial and industrial establishments were successfully provided.

As a public utility, your Company bears the responsibility to ensure an uninterrupted supply of PNG and CNG to all its customers. In fact, to meet its customers' expectations, your Company worked and delivered 24X7 throughout the year. Under a raging pandemic, meeting the demands of a large customer base through interactions at numerous touchpoints became greatly challenging and fraught with the risk of exposure. Despite the challenges, I am happy to say that your Company has lived up to the expectations of all its customers, which is a testimony to the resilience and dedication of every single member of the team.

During the pandemic impacted FY2021, your Company saw its revenue from operations dropping by 28.39% as compared to the previous year to reach a turnover of ₹23,378 million. The Profit After Tax (PAT) too decreased from ₹7,935 million in FY2020 to ₹6,196 million in

43%

EBIDTA margin for FY20-21

FY2021, registering a reduction of 21.92%. Due to the obvious impact of reduced volumes, the Company's PAT was adversely affected during FY2021. However, your Company managed to increase its EBIDTA margin from 35.42% to 43.39% as compared to the previous fiscal. This was achieved through the improvement of Gross Margin as well as a reduction in Operating Expenses. Total Gross Margin as a percentage to sales improved from 58% to 68% and total Operating Expenses were lesser by 13% as compared to the previous year.

During the year, your Company strengthened its position by laying about 46 km of steel and 152 km

MESSAGE FROM MANAGING DIRECTOR

Our potential and resilience in times of crisis have been on display and I have no doubt that we shall sail through this situation setting new milestones.

of medium pressure (MP) Poly-Ethylene (PE) pipelines. The most encouraging part was that we were determined to fulfill our inch/km catch-up plan conveyed to the Petroleum & Natural Gas Regulatory Board (PNGRB) pertaining to the Minimum Work Program for our Raigarh GA. We could also progress with setting up our first City Gate Station of GA-3 at Savroli along with establishing an LNG station. Such rollout of infrastructure is essentially an advance work towards laying the foundation to capture new customers and markets in the coming years.

In order to increase the share of natural gas in the primary energy mix of the country, the Government of India has inter-alia, taken measures to enhance domestic gas production and develop requisite gas infrastructure, including, gas pipelines, city gas distribution networks, and LNG terminals. Various initiatives have been launched through downstream sector reforms for supporting the ecosystem for enhancing the number of PNG connected homes, CNG corridors, LNG stations as well as promoting the use of efficient gas

based appliances. PNGRB is also expected to come out with the 11th CGD bidding round and your Company shall make all efforts to expand its footprint through active participation in the same. Given the favorable regulatory environment and the Government's enhanced focus on the usage of natural gas in the country, there would be ample opportunities to put your Company in a higher growth trajectory.

Apart from being one of the oldest and most experienced CGD players in the Indian market, your Company serves one of the most economically developed regions of India. We also have an access to some of the most experienced resources and skillsets. Needless to mention, we shall be leveraging our competitive strengths to increase our customer base by expanding the natural gas distribution network to cater to the ever increasing demand. Further, our foray into the Raigad district provides significant additional opportunities for the expansion of your Company's CNG and PNG networks. Having said that, we believe that in this Capex intensive industry, it makes sense to be selective and understand the potential and economics of the business in every region. At present, we are actively looking for enhancing our network in the adjoining areas of our existing service areas for low-cost expansion, as opposed to creating a new grid in unexplored non-contiguous territories. In FY2122, we plan to add 50+ new and upgraded CNG stations and provide PNG connectivity to 300,000+ households, while expanding our existing network with more than 41 km of steel pipelines and about 163 km of MP PE pipelines. Over a longer horizon, we are

300,000+

New connectivity to households planned for FY21-22

preparing to seize the growing opportunity by significantly investing in developing the infrastructure in the city of Mumbai and other adjoining authorized areas.

Along with the organic growth opportunities in our territories, we are continuously looking forward to expanding our area of operations through direct bidding, forming strategic alliances and joint ventures with existing bid winners, and possibly take inorganic routes for geographic expansions should a good opportunity present itself.

At MGL, we believe that our success is owed to our human resources. Every effort is made to make the workplace engaging, safe, inclusive and the commitment exhibited by each staff member has resulted in the difference. Keeping in mind that these are challenging times, employee welfare policies have been modified appropriately. A new Reward and Recognition Scheme has been introduced to acknowledge and encourage the contribution of individual employees as well as teams in maintaining high standards of our business. A sharper focus is also being brought on the Learning and Developmental needs of all employees to prepare us for the challenges of tomorrow.

Committed to bringing about a positive impact in the community during the pandemic, we reached out through various CSR initiatives and also augmented the efforts of the Government of Maharashtra in fighting the COVID-19 crisis. Our contribution has been acknowledged in different forums. The Company has always maintained high safety standards while carrying out its operations. We did not lose

such focus even during these hard times. Our safety excellence also gained industry recognition.

The COVID-19 crisis does not seem to ebb as yet and this year too, we find ourselves in the throes of the pandemic. The same challenges as the previous year persist. But even under the constraints, we shall continue to push our boundaries and engage in building an action oriented culture with a strong sense of individual ownership under a more decentralized work format. Our potential and resilience in times of crisis have been on display and I have no doubt that we shall sail through this situation setting new milestones.

I am truly optimistic and deeply excited about the future of Mahanagar Gas Limited. I would like to express my sincere thanks to all our customers, employees, shareholders and other stakeholders for their continued contribution and support in both good as well as challenging times.

Sanjib Datta
Managing Director



**SERVING SOCIETY IN TIMES OF ADVERSITY.
CARING FOR OUR EMPLOYEES & CUSTOMERS.**



We are in this together and we will tide through this, together. As the pandemic rages on, MGL, being a truly responsible corporate, has risen to the occasion by reinforcing operational investments. Your Company is committed to extending our support in the fight against COVID-19, keeping public health in the current situation its top priority.

During this challenging period, the senior management is regularly touching base with its worksite personnel to build confidence and keep their morale high. Similar to any people-oriented company, the Company has been standing by its employees and ensuring that supplies are unhindered. We have been at their side, supporting them in every way we could, because that's what family members do – they look out for each other. For the less fortunate, Your Company also contributed ₹ 5 crores to the Maharashtra State Disaster Relief Management Fund towards easing pandemic inflicted pain suffered by people at the bottom of the pyramid.

Ensuring that the Company's operations continue to function unhindered even during the pandemic in full swing, continues to remain our top priority. Particular attention is being given to maintain optimal logistics support to ensure uninterrupted operations. As MGL spreads its reach to other sectors, such as LNG and biogas, it considers the lessons from the difficult year gone by, as important learnings.

The Company has also embraced, adapted to, and revamped its IT systems, taking into consideration the new normal of Work From Home (WFH). Your Company setup an email desk that minimises the risk of physical contact for valued customers while responding to their queries. The Company has also been providing emergency services round the clock.

Emergency office staff members have been attending to customer requests at their premises while following COVID-19 protocols. For those who cannot work from home, offices with adequate social distancing have been set up, keeping in mind the norms for safe functioning. The extensive use of social media is being encouraged for interactions and the dissemination of regular updates to the customers.



Ensuring that the Company's operations continue to function unhindered even during the pandemic in full swing, continues to remain our top priority.



**EMBRACING DIGITAL
TRANSFORMATION. USING
TECHNOLOGY FOR BETTER
ENGAGEMENT.**

During these troubled times, you either serve digitally, or you do not serve at all. MGL has been continuing to focus on its commitment to serve its customers effectively and better. The Company's mobile application 'MGL Connect' (app) for PNG and CNG customers, is a gamechanger in facilitating on-the-fly and immediate client servicing.

This acclaimed app has been designed to offer the Company's CNG and PNG customers an evolved service experience and facilitate ease of use. It has added a new dimension to the Company's customer engagement, and looks forward to developing this app further to provide a seamless experience to its stakeholders.

Key features of the App:

FOR PNG CUSTOMERS

- Customers can view their current and last 3 PNG bills, get details of payments made, find locations where payments can be made, and also make online payments.
- Customers can now log complaints on any service-related issue by selecting the category or nature of the complaint from the drop-down menu.
- Customers can provide meter readings during the billing cycle by uploading a photo of their meter reading, which will enable the Company to process bills on 'Actual' meter reading during the 'Assessed' reading cycle.
- The system has also been designed to send automated push notifications through which various alerts can be notified to the customers.

FOR CNG CUSTOMERS

- Tracking the location of the nearest CNG station becomes child's play with this app.
- Greater convenience for the CNG customers to access all the information on CNG prices and the amount saved by using CNG over other alternative fuels.
- Obtaining information about CNG Kit suppliers and hydro-testing Centres, tips on CNG vehicle maintenance, car models available in CNG variant.

The Company's mobile application 'MGL Connect' (app) for PNG and CNG customers, is a gamechanger in facilitating on-the-fly and immediate client servicing.

SETTING STANDARDS – TO ENSURE SAFETY



At MGL, our endeavour is to provide safe and healthy working conditions for all our employees and service providers. Additionally, we strive to minimise the impact of our operations on the environment and communities in which we operate. Our strong emphasis on abiding by our corporate Health, Safety, Environment, and Quality Policy enables us to maintain a zero harm approach. Accordingly, we have developed Injury prevention programmes, transport and fire safety programmes, strictly adhering to our integrated HSE and risk management system.

In the event of an incident, we investigate the matter and devise measures to prevent it in future. Information about incidents is communicated to all employees and contractors engaged by us and necessary preventive actions are conveyed across the organization in the form of regular safety alerts and introduction of additional control measures.

Our commitments

Our key HSE priorities include a continual improvement of health and safety by reducing accidents, occupational injuries, and work-related illnesses. Thereby, we remain committed to:

- Provide a safe & healthy working environment to prevent work-related injuries and ill health
- Protect and Contribute to societies in which we operate
- Develop consistent energy resources, products and services



- Publicly report our performance
- Play a leading role in promoting best industry practices
- Manage HSE matters as any other critical business activity
- Promote a culture wherein all MGL employees share this commitment through mutual consultations and participation

Compliance and standards

Our HSE and social protection management system complies with the following standards:

- ISO 45001:2018 for Occupational Health & Safety Management system
- ISO 14001:2015 for Environment Management System
- ISO 9001:2015 for Quality Management Systems
- We also strictly adhere to international standards across all facilities

Our strong emphasis on abiding by our corporate Health, Safety, Environment, and Quality Policy enables us to maintain a zero harm approach.

Highlights for FY 2020-21

- Awarded with Greentech foundation Platinum Award in Safety Excellence Category during “19th Annual Greentech Safety Award 2020”
- “Certificate of Merit” from National Safety Council - Maharashtra Chapter for ensuring high standard of Safety and maintaining Zero Accident Frequency Rate
- Awarded by National Safety Council of India with “Certificate of Appreciation” for maintaining Best Safety Standards and maintaining goal of Zero accident.
- Launch of Safety Perception Survey – 2021 to strengthen the leadership initiatives and process components to foster a high performing continually improving proactive Safety Culture and Sustain the Goal of Zero Accident in the Organization
- SOP and Guidelines were released for management of Covid -19 at Sites and Workplaces
- A Major Mock drill involving 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 our Emergency Response and Disaster Management Plan (ERDMP). The efforts were well appreciated by the statutory authorities.
- Celebrated National Safety Week and World Environment Day with zeal and enthusiasm
- Launch of Road Safety Booklet to create awareness among our Stakeholders and Community as Road Safety is one of the most serious public health issues in our country
- Use of Online Application for capturing Site Compliances/ Observations thereby reducing consumption of Paper

ACCELERATING PERFORMANCE - WITH OUR PEOPLE



Employee participation for enhancing performance

496

Employees as on
31st March 2021

1:9.55

Gender diversity ratio

1157

Man days of training and
development in FY 2020-21

To perform competitively in an evolving industry landscape, MGL requires competent and proficient people to work safely across its operations. We recruit, train and recompense people according to a strategy that aims to organize our businesses effectively. We accelerate development of our people; grow and strengthen our leadership capabilities; and enhance employee performance through strong engagement policies. Our people are essential to the successful delivery of the MGL strategy and to sustain business performance over the long term.

Diversity and Inclusion

Our intention is to sustain a diverse workforce and an inclusive environment that respects and cares for our people and helps to improve our business performance. Our diversity and inclusion (D&I) approach focuses on talent acquisition, progression, retention, leadership visibility, and an inclusive culture. Our leaders aim to be role models of D&I and assumes accountability for continuous progress. We believe that diverse teams led by inclusive leaders are more engaged, and therefore deliver better safety and business performance. By embedding D&I into our operations, we have a better understanding of the needs of our people as well as that of our varied customers, partners and stakeholders throughout the world.



Employee Engagement Initiatives

We strive to create a positive workplace experience to ensure higher productivity, better employee retentions and newer milestones in business success. We have also launched an engagement survey to provide a venue to our employees for open feedback and capture their satisfaction level. Through this survey, we understand our employees' connect with the organization and their views on working environment, expectations about the Company and its leadership.

We undertake the review of people policies and we update it to align with the current need and to support their wellbeing. In addition to this, we also share performance update with all employees on a quarterly basis. In-house communication channels both digital and offline, are in place that help our employees to connect two-way and celebrate achievements.

Training and development

Proper development of human resources is of key importance for successful achievement of our strategic goals. We consider Training & Development an ongoing process that helps us to achieve our organizational goals by improving the skills, tackling skill gaps, improving performance, increasing productivity, increase job satisfaction and knowledge enhancement of our employees. Over time, training and development function at MGL has gained prominence due to advancement in technology and changes in market force. We remain at the forefront of this change and have been making significant progress to embrace this change and use it as a competitive advantage. Training allows our employees to acquire new skills, hone existing ones, perform better, increase productivity and be better leaders. We consider training a systematic procedure for transferring technical know-how to the employees to increase their knowledge and skills for doing particular jobs. Based on this concept, we at MGL have great thrust on training and development. Our annual trainings include a mix of technical, functional & behavioural programs and are based on training needs identified in a joint effort of employee and manager keeping organizational and personal growth in mind.

DRIVING DIGITAL EFFICIENCY

At MGL, we continue to adopt new-age tools and technologies to drive efficiency, optimize resources and derive cost synergies.

The technological landscape continues to evolve and digital transformation lies at the core of organizational success. At MGL, we continue to adopt new-age tools and technologies to drive efficiency, optimize resources and derive cost synergies. We continue to strategically focus on the development and deployment of technology that enables us to make way for an agile and responsive business model.

Investing in new-age technologies

Cloud-based technology: We have deployed cloud technology to ensure efficiency in our operations. Our corporate website is hosted on cloud to ensure on-demand scalability, especially in emergency situations like the Covid-19 outbreak. To enable safety and Disaster Recovery of non-SAP applications, we have resorted to cloud-based DR systems. Further, with successful implementation of these applications, we are in the process of cloud hosting customer facing Mobile Apps to ensure scalability and high availability, especially in current pandemic. We are also contemplating cloud hosting of SAP ERP system to keep pace with the technology.

Supplier Relationship Management

(SRM) solution: To strengthen and bring transparency in our e-tendering process, we are implementing a state-of-the-art SRM solution. Through this system, digital signatures and bid encryption can be easily integrated with SAP ERP.

Business Intelligence and Analytics:

At MGL, we plan to utilize business intelligence and analytics to aid management decisions. We have started using analytics tools for monitoring of vehicles transporting CNG to daughter stations on a trial basis.

Robotic Process Automation (RPA): MGL is beginning its journey of processes automation by deploying RPA to automate routine and mundane processes. As a first baby step, we are contemplating automation of Vendor Invoice Processing.

Cyber-security: At MGL, cyber-security is given utmost importance and efforts are undertaken to adopt the latest solutions to ensure safety and security of organizational data. To strengthen our cyber security framework, we have implemented Network Intrusion Prevention System (NIPS) for network level security and Web Application Firewall (WAF) to secure our web applications from external Cyber threats. Currently we have five layers of security viz. Firewall, NIPS, WAF, Email and Endpoint security in place. As a sixth layer of security, we are evaluating tool to implement DNS level security to ensure safe internet browsing for end users.

O365 Migration: We are in the process of migrating few users to on-cloud O365 mailbox. So, the Hybrid mailing solution will have on-premise Exchange mailbox users as well as cloud-based mailbox users.

COMMITTED TO HOLISTIC CARE



At MGL, we recognize that sustainable and inclusive development are two vital pillars for long-term success and is connected to everything we do. We also recognize that the organization cannot flourish if it does not take care of communities in which it operates. MGL therefore, fosters the philosophy of taking care of communities through direct engagements as well as through collaboration with NGO partners. We also aim to inspire our employees to share the sense of responsibility towards the communities within our operational area through employee engagement initiatives.

Some of the major highlights:

- We were conferred with the “Star of Industry” award by ET NOW for excellence in Community Development in 2019-20
- We donated ₹10 Lakhs under our CSR initiative towards Armed Forces Flag Day Fund
- We pledged ₹2 crores to fight the Coronavirus (COVID-19) pandemic

Our focus areas



Education



Youth
Empowerment



Skill
development



Healthcare



Rural
development



Environment
sustainability

₹2 crores

Funds pledged to fight the
Pandemic

COMMITTED TO HOLISTIC CARE



MGL Vidya – Fostering Primary Education

At MGL, we take great pride in providing education to our future generations. Our endeavour is to make education easily accessible for underprivileged children. We see education as one of the most important tools to facilitate socio-economic vertical mobility. We are implementing a 'Bridge learning intervention' to support nearly 1800 out-of-school children and to mainstream them, activities like balwadis, study classes, support classes, adult education classes, renovation of anganwadis and schools, etc. are integrated across all major CSR interventions of MGL. Here are some of our initiatives –

- School classroom blocks constructed in ZP School, Nagaon.
- Toilet blocks constructed in ZP School, Nagaon and ZP School, Chowk. Science Centers installed in 9 schools.
- Renovation of Dr. Ambedkar School, Pen
- Setting up computer laboratories at 2 schools and providing the support of a computer instructor.
- Installation and maintenance of water coolers in various schools.

50,000

Lives impacted

1,800+

Out of school children supported through Bridge Learning Intervention

12,000+

Students benefitted from remedial education initiatives



Anganwadi Center at Chikhalgaon



MGL Saksham – Empowering People

MGL Saksham aims to empower marginalized sections of society with opportunities for social mobility.

We undertook multiple youth development programs under MGL Saksham: -

- Around **450 marginalized and disadvantaged children** and their families were supported under Family strengthening program.
- MGL Saksham an empowerment initiative, is benefitting more than **400 toddlers, children and women** in Bhiwandi and Mumbra regions of Thane District by offering classes, adult literacy, skills training, health camps and mid-day meal support.
- Implementing Project Disha - a welfare program for slum dwellers, to promote self- help groups, support education,

offer skill training for women, encourage entrepreneurship and environmental awareness. Health camps, awareness drives and financial literacy campaigns are being organized under this program. This initiative will be benefitting nearly **22,000 individuals** across various slums of Mumbai.

- Project Parvarish ensures holistic development of more than **50 orphaned, abandoned or destitute children.**
- Supported nearly **500 specially abled individuals** with aids to enhance their abilities and improve confidence.
- An initiative for rehabilitation through Occupational Therapy, Physiotherapy, Early Intervention, School Transition and Income Generation Training was undertaken for individuals with multiple disabilities.

24,000+

Lives impacted through initiatives under MGL Saksham



Health Camp

COMMITTED TO HOLISTIC CARE

120 people

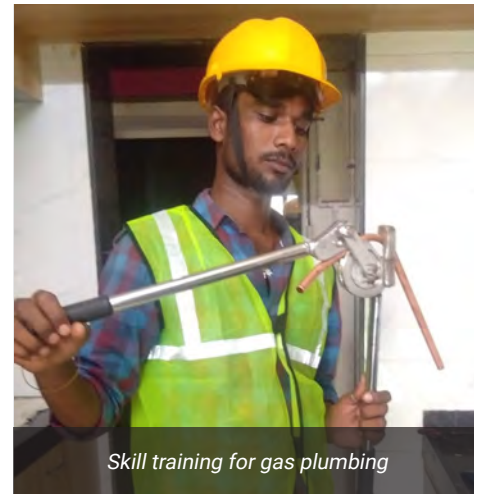
Offered skill development training

75 people

Received scholarships

MGL Hunar - Livelihood and Employment enhancement programs

MGL Hunar aims to improve livelihood opportunities and facilitate skill training for a large section of young and unemployed people. We facilitated skill development through mentorships and hands-on training for gas plumbing jobs. The trainees were also offered a stipend during the course of their training. Scholarships were also offered to 75 trainees, enrolled for Industrial Training Institute (ITI).



Skill training for gas plumbing



Health check up camp

MGL Aarogya – Providing quality and cost-effective healthcare services

The backbone of a society is a healthy populace. Since its inception, MGL has initiated curative as well as preventive health programs under the aegis of project Aarogya, for the unprivileged sections of society. MGL provides a comprehensive range of services to benefit the community and healthcare is a key pillar of its social responsibility programme.

We undertook the following projects during the year –

- Supported Bandra Holy Family Hospital for upgradation of dialysis unit and high end equipment for enhancing medical services in the hospital.
- Organized pop-up camps to benefit more than 8500 individuals.
- Facilitating upgradation of medical facility in day care center to support nearly 3500 dialysis every year.
- Extended support to pediatric cancer patients by providing safe and hygienic stay, nutritious ration, cooking facility, transport facility, etc. during the course of their treatment. 23 families can benefit at a time.
- Provided access to safe drinking water in 3 villages of Raigad District touching more than 7000 lives. Undertook an initiative to support 440 children of sex workers through 8 balwadis to enable pre-academic skills development, mid-day meals, health check-ups, exposure, etc.
- MGL supported Bhaktivedanta Hospital by providing ventilators and also supplemented Government's efforts in equipping CoVID testing facility at Sir. J. J. Hospital.
- In response to CoVID – 19 pandemic, MGL had served meals to 4 Lakhs migrant labors. Dry rations were distributed to 5000 families.

Since its inception, MGL has initiated curative as well as preventive health programs under the aegis of project Aarogya, for the underserved sections of society.



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6
Villages

1,194
Household

6,500 lives
Benefitted from the initiative



MGL Vikas – Rural Development

Infrastructure plays a vital role to improve the quality of life in rural communities. It not only contributes towards better living conditions, but it also accelerates faster movement of goods and services and fosters economic growth.

MGL Vikas facilitated holistic development of 6 villages of Sudhagad Taluka of Raigad District. This initiative was designed as a villager's own intervention and focused on things that mattered - education, health, sanitation, water, livelihoods, youth empowerment, collectivism, community-based organizations and environment.



50
Solar street lights Installed

337
Soakpits constructed

MGL Hariyali – Environment Protection

We have undertaken several environment-friendly initiatives for rural development. MGL Hariyali is facilitating installation of 50 solar street-lights. 1369 households benefitted with 2 dustbins for waste segregation at source, 30 community dustbins installed across 6 villages, 337 soak pits were installed, 224 individual toilets were repaired and community drainage system created in 2 villages.

Reinforcing our commitment towards ecological sustainability, we planted more than 1000 saplings under various initiatives.



Contribution to Maharashtra State Disaster Management Authority

Financial contribution of ₹100 Lakhs was extended towards Maharashtra State Disaster Management Authority for strengthening the Government's efforts in the fight against CoVID – 19 pandemic.



Contribution for Armed Forces

At MGL, we recognize that sustainable and inclusive development are two vital pillars for long-term success and is connected to everything we do.

MANAGEMENT DISCUSSION AND ANALYSIS



Global Economic Overview

One year into the pandemic, global prospects remain highly uncertain. New virus mutations and the accumulating human toll have raised concerns. Economic recoveries are emerging across countries and sectors, reflecting variations in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines, it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

According to IMF World Economic Outlook, while global growth is projected at 6% in CY2021, it is expected to diminish to 4.4% in CY2022. The projections for CY2021 and CY2022 are stronger than those in the October 2020 World Economic Outlook. The upward revision reflects additional financial support in a few large economies; the anticipated vaccine-powered recovery in the second half of CY2021; and continued adaptation of economic activity.

9.5%

World Economic Outlook, predicts that India's GDP will grow at a pace of 9.5% in FY 2022

High volatility surrounds this forecast, which is linked to the pandemic's course, the usefulness of policy assistance in providing a roadmap to vaccine-powered normalisation, and the evolution of financial conditions. Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage, the evolution of financial conditions and the adjustment capacity of the economy.

Although ongoing vaccination have raised hopes of a turnaround in the pandemic later in FY2022, renewed waves and new variants of the virus may pose concerns for the outlook¹.

Indian Economic Overview

Prior to the pandemic of 2020, India had become the world's fifth largest economy as per IMF. When ranked by nominal GDP, the country had leapfrogged both France and the UK. However, CY2020 saw unprecedented disruptions to lives and livelihood across the country due to the pandemic and caused adverse impact on the economy as well. As per KPMG, the Indian economy is showing early signs of a broad V-shaped recovery, owing to larger public stimulus spends, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity. IMF, in its latest World Economic Outlook, predicts that India's GDP will grow at 9.5% in FY 2022.

According to McKinsey Global Institute, over the decade to 2030, India needs to create at least 90 million new non-farm jobs to absorb 60 million new workers who will enter the workforce based on current demographics, and an additional 30 million workers who could move from farm work to more productive non-farm sectors. Furthermore, for this magnitude of employment growth to be gainful and productive, India's GDP will need to grow by 8.0 to 8.5% annually over the next decade.

Indian Oil and Gas Industry Overview

The Oil & Gas Sector is among the eight core industries in India and plays a major role in influencing decision-making for all the other important sectors of the economy. India's economic growth is closely related to its energy demand. Therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

According to PPAC (Petroleum Planning & Analysis Cell), India's oil refining capacity stood at around 250 million metric tonnes per annum (MMT) currently, making it the second-largest refiner in Asia. Private companies owned about 35% of the total refining capacity in FY2020. Crude oil production in India stood at about 32.2 MMT in FY2020. During the same period, crude oil imports stood at 226.5 MMT which is above 85% of total demand. The country's consumption of petroleum products was 214.1 MMT during FY2020. Further, the report states that the total value of petroleum products exported from the country increased to US\$ 35.8 billion (65.7 MMT) in FY2020 from US\$ 34.9 billion (65.7 MMT) in FY2019 which is around 11.4% of India's gross exports.

¹<https://www.mckinsey.com/featured-insights/india/indias-turning-point-an-economic-agenda-to-spur-growth-and-jobs>
<https://www.imf.org/en/Countries/IND>
<https://assets.kpmg/content/dam/kpmg/xx/pdf/2021/03/global-economic-outlook.pdf>

The Indian economy is showing early signs of a broad V-shaped recovery, owing to larger public stimulus spends, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity.

MANAGEMENT DISCUSSION AND ANALYSIS

The natural gas demand for the CGD sector is expected to rise steadily due to the addition of gas networks in new cities; price advantage of CNG; and increased use of PNG in domestic, industrial as well as commercial sectors.

Gross domestic production of natural gas in FY 2021 was 78.55 MMSCMD which is 8.8% lower than domestic natural gas production in FY 2020. Import of natural gas in FY 2021 was 90 MMSCMD which is 3.1% lower than natural gas import in FY 2020. Consumption of natural gas in FY 2021 was 166 MMSCMD, which is 5.8% lower than natural gas consumption in FY2020. Contribution of LNG in the overall gas consumption basket has been increasing steadily and has reached 54.2% in FY2021. Construction of new LNG import terminals and upgradation of the existing ones are being undertaken to compensate for falling domestic supplies and to meet increasing domestic demand. Gas pipeline infrastructure in the country stood at 17,126 km as of December 31, 2020 and more pipelines are under construction.

a. Industry Developments

During FY2021, some major initiatives were taken by the Government of India (GOI) to promote growth in the Oil & Gas sector (source : IBEF/Oil and Gas Reports²) which include the following:

- In November 2020, Petroleum and Natural Gas Regulatory Board (PNGRB) simplified the country's gas pipeline tariff structure to make fuel more affordable for distant users and attract investment for building gas based infrastructure.
- State-run energy firms including Bharat Petroleum, Hindustan Petroleum, and Indian Oil Corporation plan to spend US\$20 billion on refinery expansions to add units by FY2022.

- The GOI is planning to set up around 5,000 compressed biogas (CBG) plants by FY2023. This will require an investment of ₹175,000 crore.
- The GOI is planning to invest US\$2.86 billion in the upstream oil and gas production to double natural gas production to 60 BCM and drill more than 120 exploration wells by FY2022.
- PNGRB authorized Indian Gas Exchange on December 02, 2020.

b. City Gas Distribution Sector

The City Gas Distribution (CGD) sector has relatively high affordability and has the capacity to absorb prices of gas better than the power and fertiliser sectors. Usage of natural gas has proved to be economical vis-a-vis competing fuels for most of the user segments within the CGD space. The natural gas demand for the CGD sector is expected to rise steadily due to the addition of gas networks in new cities; price advantage of CNG; and increased use of PNG in domestic, industrial as well as commercial sectors. Environmental concerns will further push the use of natural gas, especially in the automotive and the industrial segment.

A typical city gas distribution project caters to domestic households, commercial establishments (hotels, hospitals, restaurants and offices) and

transport sector (in three-wheelers, buses, commercial goods vehicles and cars, among others). It is also used by small-scale industries as source of energy.

In the commercial sector, city gas is found to be very useful in applications such as cooking, air conditioning and power generation. The concept of Combined Heat & Power (CHP) holds potential wherein the system has much higher thermal efficiency as compared to other conventional services.

The implementation of the CGD network in the country is being done in a phased manner. There has been a total of ten bidding rounds so far, through which PNGRB has authorized 232 GAs for development of CGD network across the country up to 10th CGD Bidding Round covering more than 400 districts in the country in 27 States/Union Territories (UTs) which cover more than 53% of the country's area and 71% of the country's population.

Status of CGD Infrastructure in India³:

Parameters	Year Wise Progress			
	March, 2018	March, 2019	March, 2020	March, 2021
Domestic PNG Connections (Lakh)	42.02	54.04	55.96	78.2
Commercial PNG Connections	27,260	28,085	28,417	32,339
Industrial PNG Connections	7,472	8,783	9,024	11,803
Total PNG Connections (Lakh)	42.36	54.41	56.34	78.65
CNG Stations	1,315	1,742	1,758	3,101
Steel Pipeline(Inch-KM)	44,362	48,715	50,216	75,224*
MDPE Pipeline (Inch-KM)	93,648	1,13,277	1,16,158	1,85,111*

[MWP of 9th and 10th bidding rounds will further add 423 Lakh Domestic PNG Connections, 8181 CNG Stations and 1.74 Lakh Inch-KM of steel pipeline, over a period of next 8 years.]

*figures as on September, 2020.

CGD Authorisation Regulation was amended in 2018 to revamp the bid evaluation criteria and the terms and conditions for authorisation for CGD Network. Marketing exclusivity period to the successful bidders was increased from 5 years to 8 years to ensure higher pay-back of their investment on infrastructure. In the CGD bid evaluation criteria, the weightage for creation of infrastructure was increased to 80%. If the MWP cannot be achieved, then pre-determined penalties will be assessed. The additional bid bond requirement has been removed and unviable bids are being discouraged by raising the tariff floors. Timely provision of pipeline connectivity to the CGD was made for fulfilling the regulatory responsibility of the pipeline entity. This would reduce the risk of delayed pipeline connectivity to the CGD entity. The focus has also been shifted more towards serving customers through digital transformation.

60

BCM

The GOI is planning to invest US\$2.86 billion in the upstream oil and gas production to double natural gas production to 60 BCM and drill more than 120 exploration wells by FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Given the current price formulation of domestic APM gas and its firm allocation to CNG segment, switching to CNG is an attractive proposition for all automotive categories.

In order to further expand the CGD Network, PNGRB is in the process of finalizing the list of GAs for the next bidding round.

c. Auto Fuel Trends

If the required infrastructure is put in place over the next decade, natural gas vehicles could account for one out of every two vehicles sold in the country by 2030 according to Nomura Research Institute. The government recently unveiled a Natural Gas Infrastructure Development Plan to set-up 10,000 CNG stations over the next 10 years. CNG vehicles are predominantly sold in Delhi NCR, Mumbai and across select cities in Gujarat, Maharashtra, Andhra Pradesh, Telangana, Uttar Pradesh, Haryana and Madhya Pradesh. According to Petroleum Planning & Analysis Cell (PPAC), as of March 31, 2021, there are 2,837 CNG stations spread across the country.

Given the current price formulation of domestic APM gas and its firm allocation to CNG segment, switching to CNG is an attractive proposition for all automotive categories. Given that particulate matter emissions (PM 2.5 and PM 10) are negligible in CNG vehicles, higher penetration of CNG vehicles will also help curb air pollution in Indian cities. Although, BS-VI emissions are at par with that of CNG, usage of the latter has a substantial economic advantage. To accelerate infrastructure creation for facilitating CNG adoption in India, the government has taken measures to promote investments in the segment by snowballing the momentum in CGD

projects; by rolling out incentives to invite wider participation in pipeline infrastructure building.

GoI is targeting to reduce oil imports through a transformational shift of mobility segments to electric in the long run. As per the FAME India Scheme II, the Electric Vehicle (EV) sales penetration target set as 40% of buses, 30% of private cars, 70% of commercial cars and 80% of 2 and 3-wheelers by 2030. EV policies are focused on incentivizing overall EV ecosystem including vehicle manufacturing, adoption and charging infrastructure. The impact of EVs on CNG is expected to be low in the short and medium term.

d. Industry Outlook

As per BP Energy Outlook CY2020, the following features of energy demand are likely to change over the next three decades:

- Renewable energy will play an increasingly important role in meeting the world's growing energy needs.
- Customers will continue to redefine mobility and convenience, fortified by the mobility revolution that is already underway, combining electric vehicles and shared mobility.
- Oil and gas will remain mainstay for decades will be increasingly challenged as society shifts away from its reliance on fossil fuels.
- GOI recently announced the National Hydrogen Mission in the Union Budget 2021 for making a hydrogen roadmap for the country.

Hydrogen as the new source of clean energy will become a gamechanger in future. Hydrogen is light, storable, energy-dense, and produces no direct emissions of pollutants or greenhouse gases. Hydrogen production from low-carbon energy is currently expensive. Green hydrogen could cost approximately \$6/kg now, which makes it considerably more expensive than fossil fuels. However, renewable power generation or nuclear power generation can serve as an alternative to electricity from fossil fuels for the production of hydrogen. With the cost of renewables decreasing, specifically solar PV and wind power, interest in green hydrogen is increasing.

These megatrends lead us to a few additional ways in which the energy system will change till the year 2050. Energy mix will become more diverse, driven by customer choice rather than

resource availability. Going forward, market will need more integration to accommodate these diverse supplies and will become more localised as the world electrifies and the role of hydrogen expands. Countries, cities and industries will see an increased share of decarbonised energy; shifting the focus to adoption of clean energy and away from the traditional upstream producers.

Company Overview

MGL is one of India's leading Natural Gas Distribution Companies and is also 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, Ambarnath,

10,000

CNG Stations

The government recently unveiled a Natural Gas Infrastructure Development Plan to set-up 10,000 CNG stations over the next 10 years.



MANAGEMENT DISCUSSION AND ANALYSIS

249

Your Company added 249 industrial and commercial customers, totalling to a customer base of 4,192 industrial and commercial units.

Badlapur, Ulhasnagar, Bhiwandi, Panvel, Taloja, Kharghar and major parts of Raigad District. MGL's current authorized area is inhabited by almost 2 crore people and offers a natural gas potential of about 5 MMSCMD. MGL has established Piped Natural Gas (PNG) connectivity to more than 16 lakh households and is also supplying gas to 4000 commercial and industrial establishments. Besides, it is supplying Compressed Natural Gas (CNG) to about 8 lakh vehicles through a network of 272 CNG stations. In order to cater to the growing natural gas demand of existing and expansion areas, MGL is sourcing gas from various suppliers through its four City Gate Stations. 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 2-3 CGSs in Raigad GA are under planning and development to meet the rising demand of natural gas in various parts of Raigad district. Work has also started for setting up a LNG dispensing station co-located with the CGS at Savroli. Plans for setting up a second LNG dispensing station on Mumbai – Nashik highway has also been drawn up.

Your Company has installed an Electric Vehicle (EV) charging station at CGS, Sion, Mumbai, in collaboration with Tata Power Company Limited. Similar EV charging stations will be planned at more CNG stations in our authorized geographical areas.

MGL is in process of setting up a CNG Mobile Refuelling Unit (MRU) at Panvel, Raigad which is 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. Multiple MRU facilities will be planned at congested areas in Mumbai and nearby municipalities where availability of land is a constraint.

a. Core Competencies

Building and Expansion of

Infrastructure: Being in this industry for over 26 years, MGL has built an extensive supply network in Mumbai and its adjoining areas. Your Company also has an infrastructure exclusivity to lay, build, expand and operate CGD networks in the areas adjoining Mumbai valid until 2030. Similar infrastructure exclusivity for Raigad district is valid till 2040. Moreover, your Company can get an extension of such infrastructure exclusivity in blocks of 10 years, as per the regulations laid down by Petroleum & Natural Gas Regulatory Board (PNGRB). In order to further bolster the spread of CNG stations, your Company has introduced a range of new business models, helping to accommodate all kinds of landowners and entrepreneurs to work with MGL for setting up CNG stations.

Leveraging of Competitive Strengths:

In compliance of regulatory requirements, MGL annually undertakes a Customer Satisfaction

Survey, the findings of which indicate a good level of satisfaction. However, MGL continues to strive to become more competitive by improving its service standards and a wide array of initiatives for further enhancing customer loyalty and stickiness are being planned. By leveraging the expertise of its promoters and the experience in the business, MGL has created a strong senior management team with experience in the natural gas and petroleum industry.

Maintaining Growth in Volumes:

The growth in sales volume of the Company was at 5.5% CAGR for PNG and 3.9% CAGR for CNG between FY2015 to FY2020. Your Company's attempt is to improve upon past achievements. Incidence of COVID-19 has impacted growth in sales volumes. As situation normalises, sales will certainly pick up. Besides, proliferation of PNG and CNG will facilitate growth in volumes through a greater reach to new customers. Many incentive schemes and marketing initiatives have been launched to increase consumption. 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 and commercial & industrial sectors, will continue at various levels for ensuring higher penetration of natural gas in these segments.

b. 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 / timely 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 on multiple fronts.

During the year, your Company was able to establish connectivity with more than 120,000 domestic households to supply PNG, thereby having a cumulative customer connectivity base of more than 16 lakh households. Additionally, your Company added 249 industrial and commercial customers, totalling to a customer base of 4,192 industrial and commercial units. Your Company was also successful in supplementing 15 new CNG stations and upgrading 20 stations, serving an estimated 8 lakh vehicles. Your Company propelled its current compression capacity to about 36 lakh kg/day, an increase in the capacity by 1.25 lakh kg/ day. Your Company also expanded its network

During the year, your Company was able to establish connectivity with more than 120,000 domestic households to PNG, thereby having a cumulative customer connectivity base of more than 16 lakh households.

MANAGEMENT DISCUSSION AND ANALYSIS

28%

Net Profit Margin
(PAT/Revenue from Operations-Net)



in Raigad by opening 18 CNG stations and is planning to add 12 more stations in the coming financial year.

c. Financial Overview:

Revenue from Operations

During the financial year 2021, the revenue from operations stood at ₹2338 crore. The drop in revenue was a direct result of lower sales due to pandemic.

EBITDA and EBITDA Margin

During the financial year 2021, the operating EBITDA decreased by 11.29% to ₹933.95 crore in comparison to ₹1052.84 crore in FY 2020. However, the EBITDA margin increased by 800 bps to 43% from 35% in the previous year.

PAT and PAT Margin

Your Company registered a reduction in PAT by 22 to ₹620 crore in FY 2021 from ₹794 crore during FY2020. However, the PAT margin increased to 28.78% in FY 2021 from 26.70% in FY 2020.

PBT

Your Company registered a downfall in profit before tax by 15.24% to ₹833 crore in FY 2020-21 from ₹983 crore in FY2019-20 owing to a drop in sales volume due to pandemic.

EPS

Your Company recorded earnings per share of ₹62.72 in FY 2020-21 as compared to ₹80.33 in FY 2019-20, a drop of 22%.

Details of significant changes in key financial ratios, along with detailed explanations therefor, including:

Ratio Analysis

Sr. No.	Ratios	For the year ended	
		31 st March 2021	31 st March 2020
1	Debtors Turnover Ratio (No. of times) (Gross Turnover/Average Trade Receivables)	19	30
2	Inventory Turnover Ratio (No. of times) (Cost of Gas Sold/Average Inventory of Gas)	1912	2956
3	Current Ratio (No. of times) (Current Assets/Current Liabilities)	1.58	1.59
4	Operating Profit Margin (Operating Income - EBIT/Revenue from Operations-Net)	35.32%	29.98%
5	Net Profit Margin (PAT/Revenue from Operations-Net)	28.78%	26.70%
6	Return on Networth (PAT / Networth)	19.17%	26.87%

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

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

Debtors Turnover, Inventory Turnover and Return on Networth were negatively impacted mainly due to low sales volumes on account of lockdown due to COVID 19.

Improvement in Operating Profit Margins is mainly due to better sales realization and lower gas purchase prices compared to previous year.

Disclosure of Accounting Treatment:

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

Strengths

- One of the largest suppliers of natural gas in the country

connecting more than 16 lakh households in Mumbai and adjoining areas.

- It supplies CNG through 271 filling stations with more than 1611 dispensing points and serves over 7.9 lakh vehicles.
- It operates over 522 km of steel pipeline and over 5394 km of MDPE pipeline in Mumbai and its adjoining authorized areas.
- With its robust management, the Company has leveraged its expertise to strengthen its position in the industry.
- MGL's rich experience and its long-term relationship with vendors, suppliers and contractors have empowered it to expand its network in a timely and cost-efficient

Improvement in Operating Profit Margins is mainly due to better sales realization and lower gas purchase prices compared to previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

manner.

- With an established infrastructure and strong presence in Mumbai and its adjoining areas, it has fortified its presence and offers significant entry barriers.
- De-facto exclusivity in one of the most densely populated and economically growing regions of the country.
- 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.
- Unable to set up more CNG stations in Mumbai due to constraints related to land.

Opportunities

- India's energy demand is projected to grow at a much faster pace than the major economies in the world. This will open opportunities for MGL to tap the ever-growing market size.

- Expanding operations outside Mumbai and Maharashtra to capture the growing market.
- The Mumbai Metropolitan Region has a population base of 30 million and over 3.5 million households with over 3.2 million vehicles, providing an excellent opportunity to cater to the growing demand in the city.
- Possibility of regulatory restrictions of using polluting fuels in urban areas which can then be replaced with gas.

Threats

- Possibilities of free market pricing of natural gas by Government of India which may reduce demand.
- Lack of economic growth and adverse policy interventions.

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 investments in creating PNG and CNG infrastructure in the city of Mumbai and adjoining authorised areas. Your Company is ideally suited to capture the benefits of this large and growing market, given the low penetration in its areas of operation. Further, your Company's foray into Raigad district provides significant additional opportunities for the expansion of its

CNG and PNG networks. 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.

To this end, MGL plans to expand its existing network with more than 40 kms of steel pipeline and about 350 kms of polyethylene (PE) pipeline. Having ample organic growth headroom within its own territories, your Company is continuously looking to expand its area of operations through direct bidding, forming strategic alliance and joint ventures with existing bid winners, and/or taking inorganic routes to 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 a digital initiative to streamline existing operations through running of data analytics in order to enhance customer convenience and delight, while offering some 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 identified after undertaking a strategic planning exercise.

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. As per IBEF, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to

reduce from 78% to 52%. Gas, however, is seen playing a stronger role in the future domestic economy because of its cleaner carbon profile and increasing integration into the mainstream backed by Government prioritisation, faster build-up of the necessary infrastructure and access to cheaper and diverse supply sources. Government has set a clear goal of increasing the share of gas 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 technological developments, 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 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, your Company has a fully operational disaster recovery site, both on-premises and on cloud infrastructure, to ensure business continuity.

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

3.5

million

The Mumbai Metropolitan Region has a population base of 30 million and over 3.5 million households with over 3.2 million vehicles, providing an excellent opportunity to cater to the growing demand in the city.

MANAGEMENT DISCUSSION AND ANALYSIS

1,000

1000 diaphragm meters for commercial customers have been replaced with SMART meters which enable remote acquisition of meter readings.



dashboard was developed for monitoring open customer complaints, CWIP and to track Purchase Orders.

Your Company has also developed innovative applications for paperless registration of customers, maintenance of PNG infrastructure and capturing of CNG readings.

Your Company has taken its first step in Machine Learning by integrating a Chatbot with its corporate website. In addition, online name transfer facility with relevant supporting documents were implemented for customers. Cyber security remains one of the key focus areas and accordingly, significant initiatives have been taken to enhance your Company's security layers. Your Company is also providing expert services to other City Gas Distribution entities to achieve their digitization goals.

On the operational front, your Company has successfully sustained and enhanced its SCADA system across all City Gate Stations, all CNG stations, 02

Sectionalising Valves (SV) as well as Cathodic Protection Transformer System. Your Company plans to include all its SVs and under CPS the ambit of SCADA. To strengthen the safety of operations and provide improved services to customers, your Company is implementing LoRA-based Automated Meter Reading (AMR) system on a trial basis for 7,000 domestic customers in its operational areas.

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

Your Company has also completed the installation of 8 Internal Corrosion Monitoring systems and aims to install 5 more in the days ahead.

To improve productivity and reduce cost of installation, your Company continues to implement Multi Layered Composite (MLC) piping system in lieu of copper piping systems. The joints in this system are installed by crimping, a safe method that does not require soldering. A vendor network is being developed to ensure supply of the same and it will be implemented accordingly.

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

Efforts continue to further enhance domestic meter reading accuracy and efficiency. Improvements in domestic meter reading continued 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.

Going forward, your Company plans to undertake trials for implementation of a pre-paid metering system for domestic customers. These initiatives shall render the capability for remote acquisition of meter readings, detect instances of meter malfunctioning / tampering and deliver an enhanced user experience, thereby ensuring safety and accurate revenue realization for your Company.

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. User specific tools are also incorporated from time to time, in 'myWorld'- a GIS application that supports 'on the move' usage and proves to be useful for accessing GIS from field and during emergency handling.

Data enhancement activities such as reliability/completeness of network mapping, land base updating, incorporation of building addresses, accuracy enhancements based on DGPS surveys of exposed pipeline etc. are undertaken on continuous basis. GIS database backup practices have been further enhanced by the implementation of replication tool to replicate the GIS database from Data Centre to Disaster Recovery site. To utilize the enhanced features and functionalities of the Small world GIS applications, existing version is being upgraded to the latest released version of the software.

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).

Your Company has also purchased Gas Detection Camera (FLIR) for gas leak surveys. This camera has been certified as Intrinsically Safe. It is specifically tuned to visualize emissions that are impossible to see with the human eye.

MGL has completed introduction of 6 Type-3 composite cylinder cascades for CNG transportation and is carrying out trials for Type-4 composite cylinder

Your Company has also developed innovative applications for paperless registration of customers, maintenance of PNG infrastructure and capturing of CNG readings.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees were your Company's top priority during the crisis. The ultimate aim has been to design a firm IT backbone for your Company to adapt to digitalisation and technology.

cascades. These cascades have resulted in transporting more CNG per trip, thereby reducing the number of trips. Further, procurement of 10 more composite cascades is being planned.

Your Company plans to set up solar power facilities at the upcoming Mankhurd and Ghatkopar CNG stations as a green initiative aimed at reducing power intake from the grid. 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 of 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.

Further, your Company plans to conduct trials for Mobile CNG Dispensing facilities at one of its operational areas in Raigad and more deployment of such units can be further explored after successful technical trials.

Initially, the pandemic inflicted lockdown was intense and affected the marketplace adversely. However, amidst all the challenges posed by the sudden lockdown during CY2020, 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 our 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 from working at 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 firm 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.

MGL has released a new IT policy which has been designed exclusively as per ISO 27001 standards while focusing more on IT security. Your Company has initiated SAP and SRM implementation for procurement.

The use of best SAP practices have been adopted in your Company.

Implementation of WAF (Web Application Firewall) for additional security for internet-facing applications is being taken up and we are also in the process of implementing cloud strategy which will provide scalable infrastructure. Robotic Process Automation (RPA) tools are being evaluated for automating manual and repetitive processes thereby significantly reducing chances of human errors.

Know Your Customer (KYC)

Your Company has also been focusing on KYC to maintain accurate and updated records of the customers. Out of 12.48 -lakh customers, MGL has secured the e-mail ids of 7.7 lakh customers, mobile numbers of 9.5 lakh customers while the remaining 4.80-lakh customers are yet to adopt the digitalisation process. MGL has endeavoured to improve the KYC requirements to enable the maximum number of clients to adopt to its digital channels. This was done with the ultimate aim to incentivise and encourage people to use these channels more frequently for their own convenience. Customers were sent an email to redirect them to their bills. Your Company is continually trying to reinforce its IT infrastructure and provide better facilities that lead to a seamless communication.

Further strengthening its online operations, MGL has introduced bill delivery by SMS link. Apart from this, Meter Image and Meter Reading can be provided by the customer when requested by SMS. By introducing these, your Company intends to ensure that there is minimum face to

face interaction with customers while they are still able to get their updated bills on time and make timely online payments. More than 90% of domestic PNG customers pay their domestic gas bills through digital mode.

Project Monitoring

Corporate Project Monitoring Cell (CPMC) endeavours 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 figuring out the areas of concern. The system is also beneficial to your Company in terms of improvement in accuracy and timely submission of requisite information to all concerned as well as to the regulator. Furthermore, to improve the efficiency of existing project operations, certain new applications such as Last Mile Connectivity, Working at Height, Plumber Tracking and Work Plan and Work Progress (WPWP) were also developed with the help of the BIS department. Salient features of these developments are listed below for ready reference:

Work Plan and Work Progress: This system is developed to plan daily activities with resources and monitor daily progress directly from site. The system also helps in tracking the resources with the contractor and in return allows execution and planning on site (Resources Monitoring). This application also helps in identifying the gaps between the plan and actual execution on site.

Out of 12.5 -lakh customers, MGL has secured the e-mail ids of 7.7 lakh customers, mobile numbers of 9.5 lakh customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company complies with high standards of Health, Safety & Environment practices and believes that outstanding business performance requires outstanding HS&E performance.

Last Mile Connectivity (LMC): LMC is the final activity of connecting to a domestic customer. This system is developed to capture the converted customers' information with all required images (Meter, Meter Location, etc.) directly from customer premises. This results in immediate reporting of conversion date in the system, which in turn results in faster invoicing of D-PNG connections.

Work at Height (WAH) – Permit to Work: This system has helped in reducing time delay in the issue of work at height permit and in turn helped in early start of work on site. This has increased productivity, enabled centralised record of all WAH permits and safety on site. The system also helps in tracking the exact number of plumbing resources with the contractor and in turn allows execution planning at site (Resources Monitoring).

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 was launched during FY2021 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 attain 'Zero Accident'. The constant initiatives directed towards 'Occupational Safety Excellence', enabled MGL to achieve more than 6 million 'Lost Time Incident free' man hours.

Being in the business of supplying PNG and CNG, your Company

complies with high standards of HSE practices and believes that outstanding business performance requires outstanding HSE culture and 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. MGL is accredited to Health, Safety & Quality management systems including OHSAS 18001:2007, now upgraded to 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. **"Platinum Award in Safety Excellence Category"** by Greentech Foundation during **"19th Annual Greentech Safety Award 2020"**.
2. **"Certificate of Merit"** from National Safety Council - Maharashtra Chapter for ensuring high standard of Safety and maintaining Zero Accident Frequency Rate.
3. **"Certificate of Appreciation"** by National Safety Council of India for maintaining Best Safety Standards and maintaining goal of Zero accidents.

Your Company released SOP & Guidelines for the management of COVID-19 at its sites and workplaces. It also initiated distribution of PPE Kits



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

to its crews that were assigned to visit COVID centres and other hazardous locations. Also, frequent COVID-19 testing was undertaken at various MGL offices during the year.

Regular safety audits in the form of Senior Management Safety Tours are conducted by your Company's Senior Management. This helps to maintain the highest standards of Health and Safety for personal as well as for your 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 and duly comply with your Company's HSE standards. To meet the necessary standards, your Company provides coaching and assistance to its business partners, as and when required.

Your Company also undertakes various 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, MGL 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 "MGL Life Saving Rules" and "Work At Height" in Hindi and English are extensively used to spread awareness about your Company's Life Saving Rules, amongst employees, contractors' employees and other stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Continual improvement in MGL 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.

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

For reporting safety related incidents, monitoring recommendations and closing recommendations with the evidence related to the incident in a methodical way, your Company has implemented an Online Action Tracking System. It also has an Emergency Control Room with a toll Free number- 1800-266-9944 - available 24x7. Your Company also has tie ups with Emergency Ambulance Services across its operational areas for medical emergencies. Moreover, to contribute to a safe working environment, your Company also 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-misses to provide effective safety suggestions. These inputs are carefully assessed and investigated and the lessons learnt from these incidents are shared with all concerned people. 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 of 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 at MGL.

Your Company has also 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 Raigad license area has been successfully certified as per PNGRB ERDMP Regulations 2010 (GSR39). Your Company has conducted a series of mock drills at all 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 Osteoporosis, Arthritis, Heart Care and Diabetics on regular basis to create health awareness and to improve healthy 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 - 'Biodiversity – a concern that is both urgent and existential', your Company organised an online quiz competition and attended SEAMEO-UNESCO Joint webinar on COVID-19 Effects on Biodiversity.

Your Company has developed animated videos on Energy Conservation Tips, available on your Company's website and social media pages. Furthermore, your Company has initiated 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.

Security

Changing business dynamics, coupled with continuous shifts in the socio-economic scenario and business expansion of your Company during the challenging times, demanded thorough re-assessment of the security function 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. Security department of your Company responded positively to the changing security challenges by incorporating

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.

MANAGEMENT DISCUSSION AND ANALYSIS

496

Employee strength as on March 31, 2021 was 496.

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 from various stakeholders. This is backed by reviews of processes, through risk and vulnerability assessments, threat appreciation and is achieved through accurate access control, security awareness training and incident management drills and exercises.

In order to augment 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 existing Security Control Room is being further augmented & 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 will be integrated. The solution will be able to 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 is being 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 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 & Industrial Relations

Your Company constantly endeavours to improve upon its HR practices and processes for employee satisfaction through deep engagement and recognition. At the closure of the financial year, your Company's headcount was 496. Our responsible approach to structured working conditions inter-alia includes fair treatment at work, equitable compensation system, focus on learning and development as well as career progression, reward and recognition of good work done and adoption of various progressive HR policies. HR Policies are revisited in a time bound manner to keep abreast with the industry practices. For the Staff cadre employees, Long Term Settlement was also achieved for the period upto March 2022.

FY 2021 bore the brunt of the COVID-19 pandemic which made the role of HR even more important. Even during the pandemic, a congenial working environment was maintained by providing stable employment. Safe working conditions were ensured which encouraged the employees to contribute their best.

MGL believes in continual learning for its employees and competency development is a key focus area. Its Learning and Development Team is committed to nurture a culture of learning and structured training initiatives are taken in the interest of overall employee development. In the challenging environment when physical presence for trainings is not always possible, Learning & Development initiatives were undertaken in 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. An 'Assessment Center' exercise is underway to identify the strengths and opportunities for development of individual employees so that a customized learning and development plan can be worked out. Besides, the outcome of the 'Assessment Center' will also be used for faster career progression of outstanding employees whose performance is outstanding over the years.

MGL has various Reward and Recognition programmes to promote relevance and 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 our 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.

MGL engages a substantial work force through service providers and contractors. Your Company treats them as partners in progress and maintains cordial industrial relations. During the full lockdown period of the pandemic, the Company paid wages to all contractual hands working with the Company on dedicated basis. This has been a progressive gesture to ameliorate sufferings of a large group of people working with the Company.

Risk Management and Internal Control System

Risk Management

The revised Enterprise Risk Management (ERM) Policy is in place with updated Business Risk Register. The Policy framework includes objective of identification of elements of risks which includes operational risks as well as business risks and assessment of Management's actions to mitigate the exposures periodically. Further, the Risk Management System under the policy are in place for identification of the elements of risks.

MGL believes in continual learning for its employees and competency development is a key focus area.

MANAGEMENT DISCUSSION AND ANALYSIS

MGL's CSR initiatives aim at supporting environmental protection, development of healthy and empowered citizens, social upliftment, and sustainable community development.

Adequate resources have been allocated to Risk Management function and the department is headed by Chief Risk Officer (CRO). CRO presents the updated Risk Register for review and assessment to Risk Management Committee (RMC), Audit Committee and the Board as per ERM Policy.

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

Internal Control System

Your Company continued its efforts to provide an effective internal control environment where ethical behaviour, accountability, controls and assurances are practiced. Your Company's Internal Control System are attuned to the dynamics, volume, and complexity of all the business transactions and resources involved in its complete operations. It 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 put in place processes and controls to ensure compliance with all the laws and regulations at the corporate and project levels. A strong culture of corporate governance and the right tone at the top serve as strong pillars for excellence.

Various business segments have well documented policies and standard operating procedures covering their 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. Internal controls are expected to be embedded in business operations and standard operating procedures.

Internal Audit is conducted by a reputed and experienced external firm, in accordance with the auditing standards to review effectiveness of the internal control system, compliance with relevant policies and procedures and recommend improvements in processes and procedures. This has been further augmented with the introduction of implementation review which is aimed at tracking the audit findings until its closure. Internal audit reports along with management comments and action plan on recommendations as well as findings of implementation review are presented to Strategic Management Group (SMG) and Audit Committee of Board. Functioning of the auditing firm is overseen, guided and facilitated by your Company's dedicated in-house Internal Audit team. The Audit Committee regularly reviews the execution of the Audit plan as well as the adequacy and effectiveness of internal audit systems. It also monitors the implementation of internal audit recommendations.

Corporate Social Responsibility

MGL believes that the growth of your Company is intrinsically linked to the well-being of community at large. The recent global pandemic has reaffirmed this belief. Your Company is actively pursuing opportunities to contribute to communities where it operates through multiple engagements. MGL being a responsible corporate citizen, its CSR initiatives aim at supporting environmental protection, development of healthy and empowered citizens, social upliftment, and sustainable community development.

Various initiatives under the banner of MGL Aarogya, MGL Saksham, MGL Hunar, MGL Vidya, and MGL Vikas are undertaken to further reiterate your Company's commitment to the society. For more information please refer to Report on CSR Activities as annexed to Directors' Report.

The highlights of your Company's CSR initiatives were:

- Apart from running the normal programmes for the year, MGL also supported the communities during the pandemic by serving meals and distributing dry ration. Overall, above six lakh people were reached through Your Company's CSR initiative in response to the COVID -19 pandemic.
- MGL was conferred with National Award for Excellence in CSR & Sustainability for Best COVID-19 solution for Community Care.

- Your Company proactively supplemented the Government's response against COVID- 19 Pandemic by equipping testing facility, installation of ventilators and financial contribution to the State Disaster Management Authority. Our contribution was acknowledged and MGL was felicitated by the Hon'ble Governor of Maharashtra as 'Covid Warrior' and recognized for its work.

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-Sixth Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Auditors' Report.

1. FINANCIAL RESULTS :

During FY 2020-21, the Turnover was ₹2,338 Crores vis a-vis ₹3,264 Crores in FY 2019-20. The Profit after Tax (PAT) was ₹619 Crores for FY 2020-21 as compared to ₹794 Crores in FY 2019-20. The Company's financial results for the financial year ended March 31, 2021 are depicted below:

(₹ in Crore)

SR. NO.	PARTICULARS	AS ON MARCH 31, 2021	AS ON MARCH 31, 2020
a.	Revenue from operations	2,338	3,264
b.	Other Income	81	99
c.	Profit before Depreciation and Finance cost	1,014	1,152
d.	Depreciation and Amortization Expenses	174	162
e.	Finance cost	7	7
f.	Profit before Tax (PBT) [c-d-e]	833	984
g.	Income Tax	214	190
h.	Profit after Tax (PAT) [f-g]	619	794
i.	Other Comprehensive Income	1	-2
j.	Total Comprehensive Income [h+i]	620	792
k.	Balance of Profit for earlier years	2,854	2,299
l.	Balance Available for appropriation (j+k)	3,474	3,091
	Appropriations:		
m.	Dividend Paid		
	Final – FY 2018-19	-	104
	Interim – FY 2019-20	-	94
	Final – FY 2019-20	252	-
	Interim – FY 2020-21	89	-
n.	Tax on Dividend	-	41
o.	Total Appropriations (m+n)	341	239
p.	Balance of profit carried in Balance Sheet [l-o]	3,134	2,852
	Earning Per Share (Face value of ₹10.00 each) – Basic and Diluted (₹)	62.72	80.33

2. TRANSFER TO RESERVES:

The closing balance of the Retained Earnings of the Company after appropriation for the financial year 2020-21 was ₹3,134 Crore.

3. DIVIDEND:

Your Company is consistently distributing dividends to the Shareholders. Your Directors recommended the Final Dividend of ₹14/- per share in its Board Meeting held on May 24, 2021 for approval of shareholders at the 26th Annual General Meeting. The Board of Directors, in its meeting held on February 09, 2021, declared an Interim Dividend of ₹9.00/- per equity share for the financial year 2020-21 and the same has been paid on March 03, 2021 to all the eligible shareholders as on record date i.e. February 22, 2021.

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 2020-21 was one of the significant years in terms of impact on growth and operations. 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 2020-21, your Company has not accepted any deposit.

6. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, the Board met 6 (Six) times i.e. on June 10, 2020, June 30, 2020, August 07, 2020, November 12, 2020 January 09, 2021 and February 09, 2021.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently while reasonable and prudent judgments and estimates were made, so as to give a true and fair view of the state of affairs of your Company as at the end of the year and of the profit & loss of your Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a 'going concern' basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. RISK MANAGEMENT:

The revised Enterprise Risk Management (ERM) Policy is in place with updated Business Risk Register. The Policy framework includes objective of identification of elements of risks which covers operational risks as well as business risks and periodic assessment of Management's actions to mitigate the exposures. Further, the Risk Management Systems under the Policy are in place for identification of the elements of risks.

DIRECTORS' REPORT

Adequate resources have been allocated to Risk Management function and the department is headed by Chief Risk Officer (CRO). CRO presents the updated Risk Register for review and assessment to Risk Management Committee (RMC), Audit Committee and the Board as per ERM Policy.

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

9. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

The Company maintains adequate and effective internal control systems commensurate with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization. It also ensures that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss. An independent Internal Audit function is an important element of the Company's internal control systems. This is supplemented through an extensive internal audit programme and periodic reviews by the Management and the Audit Committee.

10. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company has established a Whistle Blower Policy as part of formal mechanism, which has provided a stage to the employees to come forward and raise their genuine concerns without any fear of victimization. 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 and https://www.mahanagargas.com/UploadAssets/UploadedFiles/70_MGL-Whistleblower_Policy_14b8cc6959.pdf respectively.

11. 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

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 1 to this report.

12. 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 programmes and interactive sessions against sexual harassment for all the employees, to build awareness amongst employees about the Policy and the provisions of POSH Act. One complaint pertaining to sexual harassment was received by the Company and it was resolved during the year under review.

13. 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.

14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. APPOINTMENT AND CESSATION OF DIRECTORS

The details of appointment and cessation of Directors of the Company, as on the date of report are given in the table as hereunder:

SR. NO.	NAME OF THE DIRECTOR AND DIN	DATE OF APPOINTMENT / CESSATION WITH REASON
1.	Mrs. Radhika Vijay Haribhakti (DIN: 02409519)	Ceased to be Woman Independent Director for a second term as the Special Resolution for re-appointment of Mrs. Radhika Vijay Haribhakti as an Independent Director was not passed by the Members of the Company at the 25 th Annual General Meeting ('AGM') held on September 24, 2020
2.	Mr. Raj Kishore Tewari (DIN: 07056080)	Ceased to be Independent Director with effect from March 31, 2021 on completion of second term as Independent Director of the Company.
3.	Mr. Deepak Sawant (DIN: 07339381)	Resigned as Whole Time Director (Designated as Deputy Managing Director) with effect from April 05, 2021 due to withdrawal of nomination by GAIL (India) Limited
4.	Mr. Premesh Kumar Jain (DIN: 02145534)	Cessation of directorship on April 20, 2021 due to demise.
5.	Mr. Baldev Singh (DIN : 03577274)	Appointed as Nominee Director (Additional) of Government of Maharashtra on the Board w.e.f. April 28, 2021
6.	Mr. Sanjay Shende (DIN: 09172642)	Appointed as Whole Time Director (Designated as Deputy Managing Director) with effect from May 24, 2021

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 have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013.

Mr. Syed S. Hussain, Independent Director of the Company has 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 Listing Regulations.

DIRECTORS' REPORT

Brief profiles of the Directors proposed to be appointed are annexed to the Notice convening Twenty-Sixth Annual General Meeting. The aforesaid appointments / re-appointments were based on the recommendation of the Nomination and Remuneration Committee of the Board.

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:

Sl. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment during the FY 2020-2021	Date of Resignation during the FY 2020-2021	Reason for Resignation / Appointment
1.	Mr. Saghan Srivastava	Company Secretary & Compliance Officer	--	November 12, 2020	Deterioration of health conditions
3.	Mr. Atul Prabhu	Company Secretary & Compliance Officer	February 09, 2021	--	Appointed as Company Secretary

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are Mr. Sanjib Datta, Managing Director, Mr. Deepak Sawant, Deputy Managing Director, Mr. Sunil Ranade, Chief Financial Officer and Mr. Atul Prabhu, Company Secretary and Compliance Officer.

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

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the annual evaluation of the performance of the Board and that of its Committees as well as of individual Directors was carried out during the year under review based on the formal mechanism adopted by the Board. The same was carried out by the Nomination and Remuneration Committee, the Board of Directors and the Independent Directors at their respective meetings. In the meeting of Independent Directors, the performance evaluation of Board as a whole, Chairman of the Board and of other Independent and Non-Independent Directors (excluding the Director being evaluated) was done on the basis of Questionnaire and Evaluation Sheet after

taking into account the views of Executive and Non-Executive Directors of the Company. In the Board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

16. 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/MGLNomination_and_Remuneration_Policy_329e2e5b7e.pdf

17. STATUTORY AUDITORS:

At the Twenty-Third Annual General Meeting of the Company held on September 17, 2018, the Members approved appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Firm Reg. No. 324982E/E-300003) as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the Twenty-Second Annual General Meeting held on September 25, 2017 till the conclusion of the Twenty-Seventh Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by Members at every Annual General Meeting, if so required under the Act.

M/s. S R B C & Co. LLP, Chartered Accountants (Firm Reg. No. 324982E/E-300003) has carried out the Statutory Audit of your Company for the financial year 2020-2021. Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the Financial Statements of the Company for FY 2020-2021, 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 2020-2021 of M/s. S R B C & Co. LLP are self-explanatory and do not call for any further comments.

18. 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.

19. 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 2020-2021. The Secretarial Audit Report for the Financial Year 2020-2021, 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. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review except non-appointment of Independent Woman Director. Further, the Company is reaching out to select professionals and is making efforts to fill the position of Independent Woman Director as early as possible in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

20. 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, 2021 and submitted their Report to the Central Government in Form CRA 4. The Board of Directors has on the recommendation of the

DIRECTORS' REPORT

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 upto ₹25,000/-.

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

21. 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.

22. RELATED PARTY TRANSACTIONS:

All Related Party Transactions entered into during the year were in ordinary course of business and on arm's length basis and same have been disclosed in the Notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis.

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. The Company has adopted

a Related Party Transactions Policy. The Policy, as approved by the Board, 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

23. DISCLOSURE REGARDING REMUNERATION TO DIRECTORS AND EMPLOYEES:

Disclosures pertaining to remuneration of Directors and employees, as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed as Annexure 4 to this Report.

Further, there is no employee employed throughout the financial year who was in receipt of remuneration exceeding ₹102 Lakh and, employees employed for part of the year and 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.

24. 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.

25. MANAGEMENT DISCUSSION AND ANALYSIS:

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

26. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for the year ended March 31, 2021 as stipulated under Regulation 34 of the Listing Regulations is annexed which forms part of this Annual Report.

27. 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 03, 2021 have confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the Listing Regulations.

28. 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.

29. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) 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. www.mahanagargas.com.

30. OTHER DISCLOSURES

In terms of the applicable provisions of the Act and SEBI 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.

31. AWARDS AND RECOGNITIONS:

MGL won the prestigious GREENTECH Safety Platinum Award 2020 for Safety Excellence. The award was received by the Company in February 2021.

MGL was conferred with National Award for Excellence in CSR & Sustainability, 2020 in the category Best COVID-19 solution for community care, serving of cooked meals, providing ration kits to daily wage earners, slum dwellers, tribals, etc., equipping COVID-19 testing laboratory, donating ventilators and extending financial support to Maharashtra State Disaster Management Authority. Our contribution was acknowledged and MGL was felicitated by the Hon'ble Governor of Maharashtra as 'Covid Warrior' and recognized for its work.

A Commemorative Volume, Special Postage Stamp and Cover were released to commemorate the completion of 25 years of your Company.

DIRECTORS' REPORT

32. 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, 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 have great respect and are grateful to 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

Place : New Delhi
Date : May 24, 2021

Manoj Jain
Chairman
(DIN: 07556033)

Annexure 1

A) Report on CSR Activities

MGL is 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 of building, providing drinking water facilities, benches, etc.

2. **MGL Saksham:** - MGL's CSR intervention for empowerment of deprived and deserved sections of the society.

Under the initiative, MGL has supported nearly 500 divyangjans 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 home like loving and caring environment to facilitate normal growth trajectory. MGL has also supported holistic development of families of 450 vulnerable 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 slums of Mumbra and Bhiwandi are being supported through balwadis, support classes, adult literacy center and vocational skilling center.

3. **MGL Hunar:** - MGL's CSR 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 undergoing technical education in ITIs were extended financial support in the form of scholarships.

4. **MGL Hariyali:** - MGL's CSR intervention for promoting environmental sustainability and protection of flora and fauna.

MGL has donated a video uretero-roscope - a high end probe required in the field of veterinary medicines to Bombay Veterinary Hospital.

5. **MGL Aarogya:** - MGL's CSR intervention for promoting health care.

MGL has supported The Bandra Holy Family Hospital and a Day Care Center for upgradation of medical facilities with procurement and installation of high-end equipment.

8500 individuals were benefitted through pop up 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 benefitted from the intervention during the year.

MGL is facilitating access to safe drinking water to nearly 7000 individuals across 3 villages of Raigad District through installation of water filtration plants.

DIRECTORS' REPORT

Nearly 450 children of sex workers are being supported under MGL Aarogya with mid-day meals, health check-ups and pre academic skills development through balwadis.

MGL Aarogya in response to COVID-19 pandemic: – In response to the COVID-19 pandemic, MGL has facilitated installation of 5 Ventilators at Bhaktivedanta Hospital. MGL has also supported equipping of COVID testing facility at Sir. J. J. Hospital.

MGL has served 4 lakh meals to migrant labourers and distributed ration kits to 5000 families to enable them to survive the challenges thrown by COVID induced lockdown.

6. **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 sanitation, environment protection, enhancing quality of education, awareness generation, rights realization, health, etc.
7. **Contribution for disaster management:-** With an objective to supplement the Government's efforts to fight the COVID-19 pandemic, MGL had extended a financial support of ₹1 Crore to the Maharashtra State Disaster Management Authority.

AWARDS & RECOGNITIONS

MGL's response to the pandemic including serving cooked meals to migrant laborers has received widespread acknowledgment and appreciation. MGL was also conferred with National Award for Excellence in CSR & Sustainability, 2020 in the category of Best COVID-19 solution by primarily providing ration kits to daily wage earners, slum dwellers, tribals, etc., equipping COVID-19 testing laboratory, donating ventilators and extending financial support to Maharashtra State Disaster Management Authority.

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

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, 2021, the CSR Committee had two Independent Directors, Managing Director and Deputy Managing Director as its members as follows:

1. Mr. Raj Kishore Tewari, Independent Director
2. Mr. Syed S. Hussain, Independent Director
3. Mr. Sanjib Datta, Managing Director
4. Mr. Deepak Sawant, 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 ₹83,029.23 Lakh. Prescribed CSR Expenditure computed at Two per cent of the average profit mentioned above for the Financial Year 2020-2021 was ₹1,660.58 Lakh.

Total budget sanctioned for CSR projects for FY 2020-21 was ₹1660.62 Lakhs. An amount of ₹1,121.68 Lakh has been utilized during the year and balance amount of ₹538.94 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.

Manner in which the amount was spent during the financial year is detailed below:

(₹ in lakhs)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR projects or activities identified	Sector in which projects are covered	Project or program in - local area OR other. Specify the State and District where projects and programs were undertaken if not local	Amount outlay (budget) project or program wise	Amount spent on the projects or programs sub heads : (1) direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto reporting period	Amount spent direct or through implementing agency
1.	MGL Vidya – for infrastructure in schools	Education	Local Area	29.59	22.59	28.29	Direct
2.	MGL Vidya	Education	Local Area	403.71	49.35	354.44	Implementing Agency (Centre for Social Responsibility and Leadership, Humana People to People India, Pratham Education Foundation)
3.	MGL Hunar	Education (Skills Development)	Local Area	116.74	27.29	88.53	Implementing Agency (Dev Loka Educational Trust, St. Joseph ITI)
4.	MGL Saksham	Empowerment	Local Area	626.58	227.60	395.63	Implementing Agency (SoS Children's Villages of India, ALIMCO, Don Bosco Development Society, Sahayogini Palak Sanstha, Setu Charitable Trust, Urvi Vikram Charitable Trust)
5.	MGL Hariyali	Environment Protection	Local Area	79.77	50.39	75.34	Direct

DIRECTORS' REPORT

(1) Sl. No.	(2) CSR projects or activities identified	(3) Sector in which projects are covered	(4) Project or program in - local area OR other. Specify the State and District where projects and programs were undertaken if not local	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs sub heads : (1) direct expenditure on projects or programs (2) overheads	(7) Cumulative expenditure upto reporting period	(8) Amount spent direct or through implementing agency
6.	MGL Aarogya	Health	Local Area	775.20	491.43	621.08	Implementing Agency (Enable Health Society, Savali Charitable Trust, Annamrita Foundation, St. Jude India ChildCare Centers, SEVAMOB, Don Bosco Development Society, Sri Chaitanya Seva Trust, The Bandra Holy Family Hospital, Setu Charitable Trust, Venus Cultural Association)
7.	MGL Aarogya	Health	Local Area	88.58	42.93	77.31	Direct
8	MGL Aarogya	Health	Parbhani and Jalna District	49.21	26.33	44.29	Implementing Agency (Setu Charitable Trust)
9.	MGL Vikas	Rural Development	Local Area	239.04	78.66	119.56	Implementing Agency (The PRIDE India)
10	Disaster Management	Disaster Management	Local Area	100.00	100.00	100.00	Maharashtra State Disaster Management Authority
11	Administrative Expenses	Administrative Expenses	-	79.08	5.11	5.11	Admin Charges
				2587.50	1121.68	1909.59	

(Chairman)

(Managing Director)

B) Annual Report on CSR Activities to be Included in the Board's Report for Financial Year Commencing on or After 1st Day of April, 2020

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

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:

Sl. 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.	Mr. Raj Kishore Tewari*	Independent Director	3	3
2.	Mr. Syed S. Hussain	Independent Director	3	3
3.	Mr. Sanjib Datta	Executive Director	3	3
4.	Mr. Deepak Sawant*	Executive Director	3	3

Notes:

*Mr. Raj Kishore Tewari ceased to be Director w.e.f. March 31, 2021 upon expiry of his second term as Independent Director and Mr. Deepak Sawant, Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f. April 05, 2021 due to his transfer on the basis of Office Order issued by GAIL.

- 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

Sl. 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	2020-21	-	-

- Average net profit of the company as per section 135(5) - ₹83,029.23 Lakh
- Two percent of average net profit of the company as per section 135(5) - ₹1,660.58 Lakh
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

DIRECTORS' REPORT

- (c) Amount required to be set off for the financial year, if any - Nil
- (d) Total CSR obligation for the Financial Year (6a+6b-6c) - ₹1,660.58 Lakh
8. (a) 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
11,21,67,672	4,87,88,585	April 30, 2021	NA	-	-
	51,05,237	April 30, 2021	NA	-	-

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

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 Vidya	II	Yes	Maharashtra	Mumbai	3 Years	6,35,312	0	32,456	Yes	NA	NA
2.	MGL Unnati	II	Yes	Maharashtra	Thane	2 Years	1,50,71,175	14,01,487	8,80,391	No	Centre for Social Responsibility and Leadership	NA
3.	MGL Vidya	II	Yes	Maharashtra	Thane	2 Years	39,20,175	17,02,096	14,05,259	No	Humana People to People India	NA
4.	MGL Unnati	II	Yes	Maharashtra	Thane	2 Years	88,96,000	5,95,926	8,89,599	No	Centre for Social Responsibility and Leadership	NA
5.	MGL Hunar	II	Yes	Maharashtra	Mumbai, Thane and Raigad Districts	2 Years	98,74,000	18,66,172	28,20,838	No	Dev Loka Educational Trust	NA
6.	MGL Disha	II & III	Yes	Maharashtra	Mumbai	2 Years	77,04,200	0	1,59,295	No	Don Bosco Development Society	NA

(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
7.	MGL Saksham – Women Empowerment	III	Yes	Maharashtra, Thane		2 Years	5,23,900	0	95,172	No	Setu Charitable Trust	NA
8.	MGL Saksham for Family Strengthening	II & III	Yes	Maharashtra, Raigad		2 Years	37,22,562	0	1,37,175	No	SOS Children's Villages of India	NA
9.	Project Aashray under MGL Saksham	II & III	Yes	Maharashtra, Raigad		2 Years	99,18,273	74,38,701	9,91,831	No	SOS Children's Villages of India	NA
10.	MGL Saksham	II & III	Yes	Maharashtra, Mumbai		2 Years	49,83,825	0	9,26,145	No	Urvi Vikram Charitable Trust	NA
11.	MGL Saksham	III	Yes	Maharashtra, Raigad		2 Years	49,99,975	37,01,493	12,33,328	No	ALIMCO	NA
12.	Project Disha Under MGL Saksham	I, II & III	Yes	Maharashtra, Mumbai		2 Years	1,40,25,168	65,51,701	74,73,467	No	Don Bosco Development Society	NA
13.	MGL Saksham	II & III	Yes	Maharashtra, Thane		2 Years	63,66,513	19,22,838	44,45,675	No	Setu Charitable Trust	NA
14.	MGL Saksham	III	Yes	Maharashtra, Thane		2 Years	63,46,440	26,82,971	36,63,469	No	Sahayogini Palak Sanstha	NA
15.	MGL Hariyali	IV	Yes	Maharashtra, Raigad		4 Years	29,38,200	0	4,42,500	Yes	NA	NA
16.	MGL Aarogya	I	Yes	Maharashtra, Raigad		2 Years	49,81,513	0	39,85,210	No	Enable Health Society	NA
17.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		1 Year	36,00,000	17,03,700	18,96,300	No	St. Jude India ChildCare Centres	NA
18.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		3 Years	95,16,000	9,51,600	85,64,400	No	St. Jude India Child Care Centres	NA
19.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		1 Year	23,35,200	16,34,640	7,00,560	No	Venus Cultural Association	NA
20.	MGL Aarogya	I	Yes	Maharashtra, Mumbai, Thane and Raigad		4 Years	45,11,376	1,29,140	7,10,675	Yes	NA	NA
21.	MGL Aarogya	I, II & III	No	Maharashtra, Parbhani and Jalna		2 Years	49,21,350	26,33,322	4,92,160	No	Setu Charitable Trust	NA
22.	MGL Vikas	X	Yes	Maharashtra, Raigad		4 Years	2,39,03,930	78,65,905	1,19,47,917	No	The PRIDE India	NA
	Total						15,36,97,087	4,27,81,691	5,38,93,822			

DIRECTORS' REPORT

(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 Vidya	II	Yes	Maharashtra, Raigad		12,35,684	No	Pratham Education Foundation	NA
2.	MGL Vidya	II	Yes	Maharashtra, Raigad		22,59,034	Yes	NA	NA
3.	MGL Vidya	II	Yes	Maharashtra Mumbai		8,62,500	No	St. Joseph Technical Institute	NA
4.	MGL Saksham	I, II & III	No	Maharashtra Parbhani and Jalna		1,93,200	No	Setu Charitable Trust	NA
5.	MGL Saksham	III	Yes	Maharashtra, Thane		2,68,742	No	Sahayogini Palak Sanstha	NA
6.	MGL Hariyali	IV	Yes	Maharashtra, Mumbai		50,38,656	Yes	NA	NA
7.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		9,75,000	No	Annamrita Foundation	NA
8.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		2,04,750	No	Sri Chaitanya Seva Trust	NA
9.	MGL Aarogya	I	Yes	Maharashtra, Raigad		4,81,250	No	Savali Charitable Trust	NA
10.	MGL Aarogya	I	Yes	Maharashtra, Raigad		14,77,900	No	SEVAMOB	NA
11.	MGL Aarogya	I	Yes	Maharashtra Mumbai		18,99,996	No	Setu Charitable Trust	NA
12.	MGL Aarogya	I	Yes	Maharashtra, Mumbai and Thane		1,35,97,500	No	Annamrita Foundation	NA
13.	MGL Aarogya	I	Yes	Maharashtra Mumbai		41,63,708	Yes	NA	NA
14.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		34,71,801	No	Don Bosco Development Society	NA
15.	MGL Aarogya	I	Yes	Maharashtra, Raigad		26,00,000	No	Don Bosco Development Society	NA
16.	MGL Aarogya	I	Yes	Maharashtra, Mumbai		66,64,000	No	Sri Chaitanya Seva Trust	NA
17.	MGL Aarogya	I	Yes	Maharashtra Mumbai and Thane		1,34,81,556	No	The Bandra Holy Family Hospital Society	NA
18.	Disaster Management	XII	Yes	Maharashtra, Mumbai		1,00,00,000	No	Maharashtra State Disaster Management Authority	NA
	Total					6,88,75,277			

- (d) Amount spent in Administrative Overheads – ₹5,10,704
- (e) Amount spent on Impact Assessment, if applicable – Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹16,60,61,495 (including unspent transferred to Unspent CSR account)
- (g) Excess amount for set off, if any – ₹3,495

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	16,60,58,000
(ii)	Total amount spent for the Financial Year	16,60,61,495
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,495
(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)]	3,495

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

Sl. 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.	NA	NA	NA	NA	NA	NA	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	NA	NA	NA	NA	NA	NA	NA

DIRECTORS' REPORT

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.

Annexure 2

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 – 400 051

Due to widespread outbreak of Covid-19 and consequent and subsequent imposition of lockdown, we have conducted the secretarial audit through electronic platform namely online means to verify the documents by our authorized person(s), 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 31st March, 2021. 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 and the Gas Cylinder Rules, 2004 ("Special Acts") and under 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 online examination and verification of the Company's books, papers, minute books, Statutory registers, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations

DIRECTORS' REPORT

made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally 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 31st March, 2021 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, 2009.
 - 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;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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:

- (a) Have Woman Independent Director on its Board pursuant to second proviso of sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of LODR for the period from 25.09.2020 to 31.03.2021. The Company has initiated all necessary steps and is in process of the appointment of Woman Independent Director on the Board of the Company as per the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Companies Act, 2013.

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. 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. However the Company did not have a Woman Independent Director on its Board as required under Regulation 17 of LODR and Section 149 of the Act respectively as mentioned above, for the period from 25.09.2020 to 31.03.2021. The Company has initiated all necessary steps and is in process of the appointment of Woman Independent Director on the Board of the Company as per the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and 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 adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

DIRECTORS' REPORT

F. We further report that during the audit period none of the following events has taken place which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,-

- 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)
UDIN: F000977C000364274

Place: Mumbai
Date: May 24, 2021

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Disclaimer: This Report is being issued after verifying the details shared by the Company through electronic platform. We have not conducted the physical verification of documents owing to COVID -19 and resultant lockdown in the State of Maharashtra.

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:** MGL (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 FY21.
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 or at arm's length during FY21. 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 (₹ 58,928.54 Lakhs) from GAIL is through Domestic GAS allocation by Ministry of Petroleum & Natural Gas.
 - II. Purchase of RLNG (₹ 8,160.06 Lakhs) from GAIL is as per the terms of the agreement/term sheet.
 - III. Purchase of SPOT RLNG is through a Board approved process of competitive bidding in the ordinary course of business and at arm's length basis.
 - (a) Date(s) of approval by the Board, if any: January 29, 2019
 - (b) Amount paid as advances, if any: NA

For and on behalf of the Board of Directors

**Place : New Delhi
Date : May 24, 2021**

**Manoj Jain
Chairman**

Annexure 4

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 (the Act) read with Rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-2021

SL. NO	NAME OF DIRECTOR (EXECUTIVE / NON-EXECUTIVE INDEPENDENT DIRECTOR)	DIRECTORS' REMUNERATION (IN ₹)	EMPLOYEE MEDIAN REMUNERATION (IN ₹)	RATIO
1.	Mr. Sanjib Datta, Managing Director	1,04,50,165	14,26,000	7.32:1
2.	Mr. Deepak Sawant, Whole Time Director*	97,52,304	14,26,000	6.83:1
3.	Mr. Raj Kishore Tewari*	8,20,000	14,26,000	0.57:1
4.	Mrs. Radhika Vijay Haribhakti*	4,30,000	14,26,000	0.30:1
5.	Mr. Premesh Kumar Jain*	7,80,000	14,26,000	0.55:1
6.	Mr. Syed S. Hussain	10,20,000	14,26,000	0.71:1
7.	Mr. Baldev Singh*	NA	14,26,000	NA
8.	Mr. Sanjay Shende*	NA	14,26,000	NA

Notes(*):-

1. Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and consequently she ceased to be Director of the Company.
2. Mr. Deepak Sawant – Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f April 05, 2021 due to his transfer on the basis of Office Order issued by GAIL.
3. Mr. Raj Kishore Tewari (Independent Director) ceased to be Director upon completion of second term as Independent Director on March 31, 2021.
4. Mr. Premesh Kumar Jain (Independent Director) ceased to be Director due to demise on April 20, 2021.
5. Mr. Baldev Singh is appointed as Additional (Non-Executive, Non Independent Director) from April 30, 2021.
6. Mr. Sanjay Shende was appointed as Deputy Managing Director (Nominee of GAIL) w.e.f May 24, 2021.

The percentage increase in remuneration of Chief Financial Officer, Company Secretary, if any, in the financial year	Employee Name	Designation	% increase on CTC in 2020-21
	Mr. Sunil Ranade	CFO	4%
	Mr. Saghan Srivastava	Company Secretary & Compliance Officer	0%
	Mr. Atul Prabhu	Company Secretary & Compliance Officer	6.5%

Notes:

1. Mr. Saghan Srivastava resigned as Company Secretary and Compliance Officer w.e.f. November 12, 2020.
2. Mr. Atul Prabhu is appointed as Compliance Officer w.e.f. November 13, 2020 and re-designated as Company Secretary and Compliance Officer w.e.f. February 09, 2021.

THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR.	MEDIAN REMUNERATION INCREASE FOR ELIGIBLE EMPLOYEES DURING THE FINANCIAL YEAR IS 8.50% (INCLUDING S LEVEL AND EXCLUDING SMG & KMP)		
THE NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF COMPANY	PERMANENT EMPLOYEES AS ON 31 ST MARCH 2021	FIXED TERM CONTRACT (FTC) AS ON 31 ST MARCH 2021	TOTAL
		496	0
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	Eligible employees percentage increase in 2020-21 excluding SMG and KMP	5.18% (Average% increment actual at paid)	
And its comparison with the Percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in 2020-21 for SMG and KMP (including CFO, SVP (Mktg), SVP (O & M), VP (Projects), VP (HR & CSR), VP (C&P and CRO) and Company Secretary & Compliance Officer	3.55% (Average % increment actual at paid)	

- o It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- o Employee Median Remuneration (in Lakh) for the Financial Year 2020-21 (including SMG, KMP and S grade) – ₹14.26 Lakh

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 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 III and Type IV composite cylinder cascades. More of Type III and Type IV composite cylinder cascades will be procured in the coming year.

32 no. of CNG fueled vehicles are deployed for transportation of CNG between mother stations and daughter booster stations. Further 68 more CNG fueled vehicles are planned for deployment in the coming year.

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

Solar Power Plants of 117 KW in total are installed at MGL Offices and CGS - CGS, Sion (17 KW), 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 successfully catering to the electrical lighting load of the office buildings.

Similarly, installation of Solar Power Plant of 10 KW each is being planned at MGL owned CNG stations at Ghatkopar and 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 being 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) and MGL owned CNG station at Owala, Thane to provide electrical power back up during grid power failure. Natural gas fueled generators will be installed at MGL owned CNG station at Badalapur and City Gate Station, Sion in the 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 put to maintain electrical power factor at CNG stations at desired level to achieve efficient use of electric energy. IGBT (Insulated Gate Bipolar Transistor) based advanced technology power factor correction panels are installed at 12 CNG stations. This will be extended to all MGL owned stations and STU CNG stations in the coming year.

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.

CNG Mobile Refueling Unit has been set up in Panvel, Raigad area for field technical trial of mobile fueling. Commencement of commercial operations of this unit is planned in the coming year and use of similar installations will be extended to new geographical area in the coming year.

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 H₂S, O₂ and moisture in natural gas coming to MGL is installed at City Gate Station, Sion. Similar unit will be installed at City Gate Station, Mahape in the coming year.

A) Capital investment on energy conservation equipment's:

Proposed installation of Solar Power Plant at CNG RO, Mankhurd and CNG RO, Ghatkopar (₹12 Lakh approx.) Proposed installation of H₂S/O₂/moisture analyzer at CGS, Mahape (₹1 crore approx.)

TECHNOLOGY ABSORPTION:

Sl. No.	Particulars	Previous Year 2019-20	Current Year 2020-21
1.	Research and Development		
A	Specific areas in which R&D carried out by the Company	Continuity with development of: <ul style="list-style-type: none"> • LoRa-based AMR system for Domestic customers • GSM/GPRS/LoRa based AMR system for Commercial Customers • Compact underground DRS with butterfly valves • Usage of multi-layered composite pipes as a replacement of copper pipes • Usage of PE pipes (embedded with copper wire) for better traceability • CNG HPRS for supply of PNG to remote areas ▪ Practical and cost-effective data logger in DRS ▪ Upgradation of Design of Canopy Fascia of CNG station 	Continuity with development of: <ul style="list-style-type: none"> ▪ Online monitoring of H₂S/H₂O/O₂ analyser for natural gas ▪ Type 3/type 4 composite CNG cylinder cascades for CNG transportation ▪ LoRa-based AMR system for Domestic customers ▪ GSM/GPRS/LoRa based AMR system for Commercial Customers ▪ Compact underground DRS with butterfly valves. ▪ Usage of multi-layered composite pipes as a replacement of copper pipes. ▪ Usage of PE pipes (embedded with copper wire) for better traceability ▪ CNG HPRS for supply of PNG to remote areas ▪ Practical and cost-effective data logger in DRS ▪ Upgradation of Design of Canopy Fascia of CNG station

DIRECTORS' REPORT

Sl. No.	Particulars	Previous Year 2019-20	Current Year 2020-21
		<ul style="list-style-type: none"> ▪ Replacement of higher sizes of diaphragm gas meters with RPD meters (which has better accuracy) ▪ Usage of ultrasonic meters and thermal mass meters for Commercial customers ▪ Full review of technical specifications and Codes of Practice in process ▪ Design of PNG riser and lateral system in high-rise building with height more than 120 metres ▪ Design of PNG riser and lateral system for buildings having glass facades ▪ Upgradation of Design of ancillary equipment in CNG station, Canopy Columns and Bay Indicators, Totem, Dispenser, Flag Post, Sales building, Bus Shelter, etc. ▪ Seismic survey in GA III areas 	<ul style="list-style-type: none"> ▪ Replacement of higher sizes of diaphragm gas meters with RPD meters (which has better accuracy) ▪ Review of technical specifications and Codes of Practice in process. ▪ Design of PNG riser and lateral system in high-rise building with height more than 120 metres. ▪ Design of PNG riser and lateral system for buildings having glass facades ▪ Upgradation of Design of ancillary equipment in CNG station, Canopy Columns and Bay Indicators, Totem, Dispenser, Flag Post, Sales building, Bus Shelter, etc.
B.	Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> ▪ Improvement in the existing business processes and working standards of a City Gas Distribution Project ▪ Facilitating better gas balancing of network ▪ Development of Natural Gas Market ▪ Safe and effective operation of Gas Supply Network ▪ Cost saving and energy saving ▪ Effective inventory management ▪ Supply of PNG to remote areas ▪ Enhancement of branding of MGL at CNG outlets 	<ul style="list-style-type: none"> ▪ Real time monitoring of gas quality ▪ Efficient and economic transportation of CNG ▪ Supply of PNG and CNG to remote areas ▪ Development of other avenues of business ▪ Improvement in the existing business processes and working standards of a City Gas Distribution Project. ▪ Facilitating better gas balancing of network. ▪ Development of Natural Gas Market. ▪ Safe and effective operation of Gas Supply Network. ▪ Cost saving and energy saving. ▪ Effective inventory management. ▪ Enhancement of branding of MGL at CNG outlets

Sl. No.	Particulars	Previous Year 2019-20	Current Year 2020-21
C.	Future plan of action	<ul style="list-style-type: none"> ▪ Continuing vendor development (Regulators, Gas Meters, etc.) ▪ Review feasibility of providing PNG / CNG to remote locations through LCNG facilities. ▪ Supply of PNG to areas of Pen and other parts of GA III by using CNG HPRS system ▪ Implement installation of Multi-layered composite (MLC) piping system as a replacement of GI piping system - on a trial basis 	<ul style="list-style-type: none"> ▪ Continuing vendor development (Diaphragm Gas Meters, Brass Ball Valves, etc.) ▪ Review feasibility of providing PNG / CNG to remote locations through LCNG facilities. ▪ Supply of PNG to areas of Pen and other parts of GA III by using CNG HPRS system
D.	Expenditure on R&D:		
	a) Capital	NIL	NIL
	b) Recurring		
	c) Total		
	d) Total R&D expenditure as a percentage of total turnover		
2.	Technology absorption, adaptation and innovation		
A			
	Efforts, in brief, made towards technology adaptation and innovation	Further development of Standards, Specifications and Operating Procedures (from Shell Group) adapted for local implementation	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"> ▪ Safe operation of Gas Supply Network ▪ Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meters, Service Regulators and AMR systems ▪ Growth strategy 	<ul style="list-style-type: none"> ▪ Safe operation of Gas Supply Network ▪ Import substitution by development of indigenous vendor for supply of Diaphragm Gas Meters, Brass Ball Valves. ▪ Growth strategy
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	NA
(b)	Year of import	NA	NA
(c)	Has technology been fully absorbed	NA	NA

DIRECTORS' REPORT

Sl. No.	Particulars	Previous Year 2019-20	Current Year 2020-21
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	NA	NA
3	Foreign Exchange Earning and Outgo		
		Previous Year (₹ in Crores)	Current Year (₹ in Crores)
	Total Foreign Exchange Earned	NIL	NIL
	Total Foreign Exchange Outgo	15.65	3.53

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 (East), Mumbai-400051
4	Website	www.mahanagargas.com
5	E-mail id	info@mahanagargas.com
6	Financial Year reported	2020-2021
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"> 1. Piped Natural Gas for Households 2. Compressed Natural Gas for vehicles 3. Piped Natural Gas for Industrial and Commercial establishments
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Nil <ol style="list-style-type: none"> i. Registered Office in Bandra Kurla Complex, Mumbai and ii. City Gate Stations (CGS) at- <ol style="list-style-type: none"> a) Wadala, Mumbai b) Mahape, Navi Mumbai c) Ambernath, Thane d) Taloja, Raigad
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)	₹2,33,779.29 Lakhs
3	Total profit after taxes (INR)	₹61,957.75 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹1,121.68 Lakhs, which is 1.35% 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.

BUSINESS RESPONSIBILITY REPORT

5	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> • MGL Aarogya for Health Care and Sanitation • MGL Vidya for Education • MGL Saksham for Empowerment • MGL Hunar for employment enhancing Vocational Skills • MGL Vikas for Community Development • MGL Hariyali – for Environment / Flora / Fauna Sustainability • Disaster Management • Training & Capacity Building of CSR personnel & Administrative Expenses
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Section C: Other Details

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

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.

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?	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

BUSINESS RESPONSIBILITY REPORT

SR. NO	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	Not Applicable								
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									
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 other Committees of the Board review 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 2020-2021 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 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 the commitment to ethical business practices are also binding to all Suppliers, Contractors, and other external agencies dealing with the Company. MGL does not have any 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 2020-21	COMPLAINTS RESOLVED DURING FY 2020-2021	COMPLAINTS RESOLVED (%)
Investor's Complaints	9	9	100%
Vendor/Contractor's Complaints	Nil	NA	NA
Employees	1	1	100%
Public (received through CPGRAM)	105	107*	102%

*2 complaints received in FY 19-20 were closed in FY 20-21

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

BUSINESS RESPONSIBILITY REPORT

higher emissions. Use of CNG today in MGL's supply areas is reducing vehicular emissions/ pollutants by about 1600 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.

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 vendors, and as applicable they are invited for the tendering process. The Company has a detailed Contract and Procurement manual and the contracts are made as per the rules and criteria laid down in the manual. For MSME vendors and service providers MGL gives exemption for tender fee and EMD which increases participation of such vendors and service providers in our tenders. Further due to the ongoing pandemic situations to improve participation in Tenders by local and small producers MGL has replaced EMD by a bid security declaration document and also has revised Security deposit downward from 5% to 3%. This revised norms of EMD and SD shall be in place till 31.12.2021 and is expected to improve participation in Tenders by local and small producers.

MGL has implemented SAP – SRM (PPS – Procurement for Public Sector) Module in March 2021 to switch to e-procurement / e-tenders. This takes care of procurement of goods as well as services. SRM Module is seamlessly integrated with our existing SAP – R/3 MM Module. The SRM has been developed based on principles of Public Sector Procurement and CVC Guidelines and complies with latest IT Act and uses Digital Signature of Class 3A – **Highest in its class** (with bid encryption and decryption in highly secured environment).

MGL is one of the first CGD company to implement SAP-SRM (PPS). Other than conducting e-tenders, SRM also has features like supplier registration, supplier qualification as well as evaluation.

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.

496 permanent employees (as on March 31, 2021).

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

The total number of employees hired on temporary / contractual / casual basis: 1480 (as on March 31, 2021).

3. Please indicate the number of permanent women employees.

Number of permanent women employees is 47 (as on March 31, 2021).

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?

18.55% of permanent employees are members of the recognized employee association (as on March 31, 2021).

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	1	Nil
3	Discriminatory employment	Nil	Nil

BUSINESS RESPONSIBILITY REPORT

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	422	474
Permanent Women Employees	38	44
Casual / Temporary / Contractual Employees#	22612	NA
Employees with Disabilities	NA	NA

#MGL has conducted trainings on various topics for 22,612 (Twenty Two Thousand Six Hundred and Twelve) Casual / Temporary / Contractual employees during the year 2020-21. The training topics include Safety and Technical Competency, Fire Fighting, First Aid, Road Safety 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.

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, 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 the 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. MGL is accredited to ISO 14001:2015 pertinent to Environment Management System for all its city gate stations i.e. at Sion, Mahape, Ambernath 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.

MGL is committed to the Health and Safety of all its employees, the employees of our contractors and other stakeholders who may be affected by the Company's operations. The Company considers its contractors as business partners and expects them to adhere to Company's HSE standards. Coaching and assistance is provided to the business partners as and when required.

BUSINESS RESPONSIBILITY REPORT

- 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 include its contribution towards reduction of pollution in GA1, GA2 and GA3 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.

In order to further address the environmental issues, MGL under its CSR initiative, has installed 100 nos. of solar power operated street lights in GA3 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, conducts 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 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, 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 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://122.15.117.199/mglintranet/login.aspx>. Energy Conservation Tips have been made available on the Company website 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.

- 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 2020-2021 are within the regulatory defined limits stipulated by Maharashtra Pollution Control Board (MPCB) and being reported regularly.

- 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 500 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.

BUSINESS RESPONSIBILITY REPORT

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 HUNAR- Empowerment Through Skills Development:

MGL's intervention is for enhancing employability of unemployed and underemployed youth.

MGL Hunar:- Under MGL Hunar, MGL has facilitated skills augmentation training to 120 youth in the trade of Gas Plumbing. These youth have also been provided with an opportunity for On Job Training and subsequent placement support.

Scholarships:- 75 youth undergoing technical education in ITIs were extended financial support in the form of scholarships.

MGL HARIYALI : MGL's intervention for promoting environmental sustainability and protection of flora and fauna.

Solar Street Lights:- MGL is facilitating installation of 50 solar operated street lights in rural and other areas within its operational geography.

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.

Veterinary Equipment to Bombay Veterinary Hospital: - MGL has donated a video ureterorenoscope – a high end probe required in the field of veterinary medicines to Bombay Veterinary Hospital.

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.

Pop up camps under MGL Aarogya: - Under MGL Aarogya, pop-up camps were organized at various locations of Raigad District. These camps were conducted to enhance access to medical facilities for the people from remote villages. More than 8500 individuals benefited from these pop-up camps.

MGL Aarogya for enhancement of Health Related Infrastructure: - MGL has supported The Bandra Holy Family Hospital for upgradation of medical facilities in the hospital. 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 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 for care of critically ill CoVID patients. These ventilators will later be shifted to ICU of the hospital for care of other critically ill patients.

Equipping the CoVID testing facility at Sir. J. J. Hospital: - MGL has supplemented Government's action against CoVID pandemic by equipping of testing facility at Sir. J. J. Hospital.

Serving Meals to Migrant Labourers: - MGL served 4 lakh meals to migrant labourers to enable them survive the tough time created due to the lockdown as a consequence of CoVID - 19 pandemic.

Distribution of Dry Ration: - MGL distributed ration kits to 5000 families belonging to slum, rural and tribal communities with the objective of supporting the families during the lockdown period. Ration kits comprising of essential ration supplies, hygiene items, etc. were distributed in Pen and Karjat taluka of Raigad District and in slums of Mumbai.

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.

CONTRIBUTION FOR DISASTER MANAGEMENT

With an objective to supplement the government's response against the CoVID-19 pandemic, MGL

had extended a financial support of ₹1 Crore to the Maharashtra State Disaster Management Authority.

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.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

₹1121.68 Lakhs were spent during the financial year 2020-21. Details of some of the key projects undertaken are as under: -

SL. NO.	INITIATIVE(S)	AMOUNT SPENT (₹ IN LAKHS)
1	Health and Sanitation Initiatives including expenses towards 'Swachh Bharat Abhiyaan'	560.70
2	Education initiatives	71.94
3	Employability / Skill Enhancement interventions and Empowerment	254.88
4	Environment initiative including animal welfare	50.39
5	Others	183.77
	Total	1121.68

BUSINESS RESPONSIBILITY REPORT

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 (e.g. MGL Disha, MGL Hunar, etc.) 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 lines 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 2020-2021.

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 the CNG cascades from CGS to various CNG Stations.

Adherence to all laws pertaining to product handling, branding, 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, 2021.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

MGL continuously interact 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 :

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.

Your Company is committed to adoption of best practices of Corporate Governance and its adherence in true spirit and at all times. MGL's governance practices reflect strong stakeholder commitment, underpinned by a great value system that is deeply ingrained in our thought process. MGL believes that good Corporate Governance emerges from the application of the best and sound management practices. These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our aim to be the most sustainable company in our industry.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the Strategic Management Group and the Board and its Committees. The Corporate Governance philosophy has been further strengthened through the various stakeholders' policies, MGL's Code of Conduct, Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders.

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 throughout the Company, consistent with this philosophy.

Your Company is committed to the highest standards of social and environmental responsibility and ethical conduct in the best interest of the stakeholders. The Company is of the opinion that highest standards of Corporate Governance are achieved when individual Directors and the Board as a whole acts ethically and in a manner consistent with the values of the business. The Board takes appropriate steps to protect and enhance the value of the assets of MGL in the best interest of the Company and its shareholders.

2. BOARD OF DIRECTORS :

(i) Board Leadership:

The Board of Directors along with its Committees provide leadership and guidance to the Management and direct & supervise the performance of the Company, thereby enhancing shareholder value. Your Company has an engaged and well-informed Board with qualification and experience in diverse areas.

CORPORATE GOVERNANCE REPORT

Apart from the Board, various Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Performance Review Board Committee handle specific responsibilities mentioned under the applicable laws as well as specific terms of reference to support the Board by accomplishing expedient resolutions on varied matters.

The Board has a fiduciary responsibility to ensure that the rights of all stakeholders are protected.

The Board of Directors as on March 31, 2021 comprised of 6 Directors, out of which 2 were Executive Directors and 4 were Non-executive Directors which includes 3 Independent Directors. The Company has initiated all necessary steps and is in process of the appointment of Independent Directors including Woman Independent Director on the Board of the Company pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Chairman of the Board is a Non-Executive Director related to Promoter of the Company and half of the total number of Directors comprised of Non-Executive Independent Directors as on March 31, 2021.

None of the Directors on the Board is a member of more than Ten Committees or Chairman of Five Committees (Committees being Audit Committee and Stakeholders Relationship Committee) of the Companies in which she/he is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors holds office in more than Ten Public Companies. All Directors are also in compliance with the limit on Directorships including Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The age of the Directors on the Board is less than seventy-five years.

- (ii) The names and categories of the Directors on the Board and the Directorships and Committee Chairmanships/Memberships held by them in public limited companies including MGL as on March 31, 2021 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. For the purpose of determination of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26(1)(b) of the Listing Regulations.

SR. NO.	NAME OF THE DIRECTOR	CATEGORY OF DIRECTOR	DIRECTORSHIP IN OTHER LISTED COMPANIES ALONG WITH CATEGORY	NO. OF COMMITTEE POSITIONS HELD IN COMPANIES INCLUDING MGL**	
				MEMBER	CHAIRMAN
1.	Mr. Manoj Jain (Chairman) DIN:07556033	Non-Independent, Non-Executive Director	Director of GAIL (India) Limited. Non-Executive Director of Petronet LNG Limited	-	-

SR. NO.	NAME OF THE DIRECTOR	CATEGORY OF DIRECTOR	DIRECTORSHIP IN OTHER LISTED COMPANIES ALONG WITH CATEGORY	NO. OF COMMITTEE POSITIONS HELD IN COMPANIES INCLUDING MGL**	
				MEMBER	CHAIRMAN
2.	Mr. Sanjib Datta (Managing Director) DIN:07008785	Non-Independent, Executive Director	-	-	-
3.	Mr. Deepak Sawant (Deputy Managing Director)^ DIN:07339381	Non-Independent, Executive Director	-	-	-
4.	Mr. Raj Kishore Tewari^^ DIN:07056080	Non-Executive, Independent Director	-	2	-
5.	Mrs. Radhika Vijay Haribhakti^^^ DIN:02409519	Non-Executive, Independent Director	-	-	-
6.	Mr. Premesh Kumar Jain^^^^ DIN: 02145534	Non-Executive, Independent Director	-	3	-
7.	Mr. Syed S. Hussain DIN:00209117	Non-Executive, Independent Director	-	1	-

Notes:

* Excluding Directorship held in MGL, Private Limited Companies, Foreign Companies and Section 8 Companies.

** In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies have been considered.

^ Mr. Deepak Sawant – Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f. April 05, 2021 due to transfer based on order issued by GAIL.

^^ Mr. Raj Kishore Tewari ceased to be Director w.e.f. March 31, 2021 upon expiry of his second term as Independent Director.

^^^ Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and subsequently ceased to be Director of the Company.

CORPORATE GOVERNANCE REPORT

^^^ Mr. Premesh Kumar Jain (Independent Director) ceased to be Director due to demise on April 20, 2021.

(iii) The Details of attendance of Directors at each such meeting of the Board and at the 25th Annual General Meeting of the Company held on September 24, 2020, are provided herein below:

NAME OF THE DIRECTOR	BOARD MEETING						AGM HELD ON 24.09.2020
	10.06.2020	30.06.2020	07.08.2020	12.11.2020	09.01.2021	09.02.2021	
Dr. Ashutosh Karnatak ¹	NA	NA	NA	NA	NA	NA	NA
Mr. Manoj Jain ²	Y	Y	Y	Y	Y	Y	Y
Mr. Sanjib Datta	Y	Y	Y	Y	Y	Y	Y
Mr. Deepak Sawant ⁵	Y	Y	Y	Y	Y	Y	Y
Mrs. Radhika Vijay Haribhakti ³	Y	Y	Y	NA	NA	NA	Y
Mr. Raj Kishore Tewari ⁴	Y	Y	Y	Y	Y	N	Y
Mr. Premesh Kumar Jain ⁶	Y	Y	Y	Y	Y	Y	Y
Mr. Syed S. Hussain	Y	Y	Y	Y	Y	Y	Y

In the report, the abbreviations below, wherever they appear, denote the following:

Y : Present for meeting

N : Absent for the meeting

NA : Not Applicable being not a director at the time of meeting

Notes:

- 1) Dr. Ashutosh Karnatak resigned from the Board as Non-Executive Director and Chairman with effect from May 06, 2020.
- 2) Mr. Manoj Jain was appointed as Non-Executive Director and Chairman with effect from May 06, 2020.
- 3) Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and subsequently ceased to be Director of the Company.
- 4) Mr. Raj Kishore Tewari ceased to be Non-Executive Independent Director upon completing his Second Term on March 31, 2021.
- 5) Mr. Deepak Sawant – Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f. April 05, 2021 due to transfer based on order issued by GAIL.
- 6) Mr. Premesh Kumar Jain ceased to be Independent Director due to demise on April 20, 2021.

(iv) Board Procedure:

Your Company's Board plays a role in ensuring functioning of your Company with good governance practices. The Board's role, functions, responsibilities and accountabilities are well defined. The annual tentative calendar of Board Meetings is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions. The agenda and related information are circulated in electronic form through email and in secured electronic mode, which is accessible only to the Board members.

The Board meets at least once in every quarter to review the quarterly results and other items on the

agenda and additional meetings are held to address specific needs and business requirements of your Company. In case of business exigencies, the Board's approvals are taken through circular resolutions and the same are noted at the subsequent meeting of the Board and/or Committees.

Video-conferencing facility is made available to facilitate Director(s) travelling or present at other locations, in case they wish to participate in the meetings. The same is conducted in compliance with the applicable laws.

vi) Number of Board Meetings:

During the financial year 2020-2021, the Board met 6 times. The maximum time gap between any two Board meetings was less than 120 days. Details of the Board meetings held during the financial year, dates on which the meetings were held and number of Directors present are as under :

DATE OF BOARD MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
June 10, 2020	07	07
June 30, 2020	07	07
August 07, 2020	07	07
November 12, 2020	06	06
January 09, 2021	06	06
February 09, 2021	06	06

(vii) 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.

S.R. NO.	NAME OF DIRECTOR(S)	INDUSTRY EXPERIENCE, BUSINESS STRATEGY	STRATEGIC PLANNING/ CORPORATE GOVERNANCE	LEADERSHIP/ OPERATIONAL EXPERIENCE	BUSINESS/ PROJECT DEVELOPMENT	FINANCIAL, REGULATORY/ LEGAL & RISK MANAGEMENT	LIAISON/ MARKETING
1.	Mr. Manoj Jain	√	√	√	√	√	√
2.	Mr. Sanjib Datta	√	√	√	√	√	√
3.	Mr. Sanjay Shende*	√	√	√	√	√	√
4.	Mr. Syed S. Hussain	√	√	√	x	x	√
5.	Mr. Baldev Singh**	√	√	√	x	√	√

* Mr. Sanjay Shende was appointed as the Whole-Time Director designated as the Deputy Managing Director of the Company on May 24, 2021.

** Mr. Baldev Singh was appointed as the Nominee Director (Non-Executive) of the Government of Maharashtra on April 28, 2021.

(viii) Relationship between the Directors :

There is no relationship amongst any of the Directors of the Company.

(ix) Shareholding of Non-Executive Directors :

None of the Non-Executive Directors holds any equity shares in the Company.

CORPORATE GOVERNANCE REPORT

(x) Independent Directors:

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.mahanagargas.com. During the financial year under review:

- (i) Mr. Raj Kishore Tewari ceased to be Director w.e.f. March 31, 2021 upon expiry of his second term as an Independent Director.
- (ii) Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and subsequently ceased to be Director of the Company.
- (iii) Mr. Premesh Kumar Jain (Independent Director) ceased to be Director due to demise on April 20, 2021.

(xi) Confirmation on the Independence of Directors:

The Board confirms that all the Independent Directors on the Board fulfill the conditions specified in listing regulations and that they are Independent of the Management.

(xii) Separate meeting of Independent Directors:

During the financial year 2020-2021, a separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management representatives was held on March 24, 2021, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairperson

of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Mr. Syed S. Hussain and Mr. Raj Kishore Tewari, Independent Directors of the Company attended the meeting of Independent Directors held on March 24, 2021. Leave of absence was granted to Mr. Premesh Kumar Jain, Independent Director. The Independent Directors expressed their satisfaction on effective functioning of the Board in maintaining qualitative governance of the organization.

(xiii) Familiarization Programme for Independent Directors:

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis.

Further, 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 mitigation plans etc. The detailed 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

3. COMMITTEES OF THE BOARD:

The Committees of the Board play a vital role in the governance structure of the Company. They have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. There is continuous flow of information between the Board and its Committees, as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities by the Committees. The Board Committees request special invitees to join the meeting, as and when appropriate. Company Secretary & Compliance Officer acts as Secretary of all the Board Committees.

DETAILS OF THE COMMITTEES AND OTHER RELATED INFORMATION ARE PROVIDED HEREUNDER:

Composition of Committees of the Company

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
1	Mr. Raj Kishore Tewari ¹ Independent Director (Chairman)	1	Mr. Premesh Kumar Jain ² Independent Director (Chairman)
2	Mr. Premesh Kumar Jain ² Independent Director	2	Mr. Manoj Jain Independent Director
3	Mr. Syed S. Hussain Independent Director	3	Mr. Syed S. Hussain Independent Director
4	Mr. Sanjib Datta Managing Director		
STAKEHOLDERS RELATIONSHIP COMMITTEE		CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	
1	Mr. Raj Kishore Tewari ¹ Independent Director (Chairman)	1	Mr. Raj Kishore Tewari ¹ Independent Director (Chairman)
2	Mr. Premesh Kumar Jain ² Independent Director	2	Mr. Syed S. Hussain Independent Director
3	Mr. Sanjib Datta Managing Director	3	Mr. Sanjib Datta Managing Director
4	Mr. Deepak Sawant ³ Deputy Managing Director	4	Mr. Deepak Sawant ³ Deputy Managing Director
RISK MANAGEMENT COMMITTEE		PERFORMANCE REVIEW BOARD COMMITTEE	
1	Mr. Premesh Kumar Jain ² Independent Director (Chairman)	1	Mr. Syed S. Hussain Independent Director (Chairman)
2	Mr. Syed S. Hussain Independent Director	2	Mr. Raj Kishore Tewari ¹ Independent Director
3	Mr. Sanjib Datta Managing Director	3	Mr. Sanjib Datta Managing Director
4	Mr. Deepak Sawant ³ Deputy Managing Director	4	Mr. Deepak Sawant ³ Deputy Managing Director

Notes:

1. Mr. Raj Kishore Tewari ceased to be Non-Executive Independent Director upon completing his Second Term on March 31, 2021.
2. Mr. Premesh Kumar Jain ceased to be Independent Director due to demise on April 20, 2021.
3. Mr. Deepak Sawant – Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f. April 05, 2021 due to transfer based on order issued by GAIL.
4. Mr. Atul Prabhu, Company Secretary, being the Compliance Officer of the Company, is responsible for redressal of Shareholder Grievances.

CORPORATE GOVERNANCE REPORT

Meetings of Committees held during the year and Directors' Attendance:

COMMITTEES OF THE COMPANY	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	RISK MANAGEMENT COMMITTEE	PERFORMANCE REVIEW BOARD COMMITTEE
Meetings held	5	3	1	3	3	3
Directors' Attendance						
Mr. Manoj Jain	NA	3	NA	NA	NA	NA
Mr. Sanjib Datta	5	NA	1	3	3	3
Mr. Sanjay Shende ¹	NA	NA	NA	NA	NA	NA
Mr. Syed S. Hussain	5	3	NA	3	3	3
Mr. Baldev Singh ²	NA	NA	NA	NA	NA	NA
Mr. Raj Kishore Tewari ³	5	NA	1	3	NA	3
Mrs. Radhika Vijay Haribhakti ⁴	3	1	NA	1	1	1
Mr. Premesh Kumar Jain ⁵	5	3	1	NA	3	NA
Mr. Deepak Sawant ⁶	NA	NA	1	3	3	3

NA – Not Applicable

Notes:

1. Mr. Sanjay Shende was appointed as the Whole-Time Director designated as the Deputy Managing Director of the Company on May 24, 2021.
2. Mr. Baldev Singh was appointed as the Nominee Director (Non-Executive) of the Government of Maharashtra on April 28, 2021.
3. Mr. Raj Kishore Tewari ceased to be Non-Executive Independent Director upon completing his Second Term on March 31, 2021.
4. Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and subsequently ceased to be Director of the Company. (3 meetings of Audit Committee, 1 meeting of Nomination and Remuneration Committee, 1 meeting of Corporate Social Responsibility Committee, 1 meeting of Risk Management Committee and 1 meeting of Performance Review Board Committee were held during her tenure)
5. Mr. Premesh Kumar Jain ceased to be Independent Director due to demise on April 20, 2021.
6. Mr. Deepak Sawant – Deputy Managing Director (Nominee of GAIL) ceased to be Director w.e.f. April 05, 2021 due to transfer based on order issued by GAIL.

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 the 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 24, 2020.

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 for approval to the Board - proposals on Borrowings and proposals on non-fund based facilities from banks and Business plan;
3. Review and recommend for approval to the Board - 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;
6. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
7. 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 related party transactions;

CORPORATE GOVERNANCE REPORT

- 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.
8. 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;
 9. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 10. Examination of the financial statement and the auditor's report thereon;
 11. 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;
 12. 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;
 13. The Audit Committee to satisfy itself regarding the need for omnibus approval and that such approval is in the interest of the Company;
 14. Scrutiny of inter-corporate loans and investments;
 15. Valuation of undertakings or assets of the Company, wherever it is necessary;
 16. Evaluation of internal financial controls and risk management systems;
 17. 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;
 18. Discussion with internal auditors of any significant findings and follow up there on;
 19. 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;
 20. 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;
 21. 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;

22. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditors;
23. 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;
24. To review the functioning of the whistle blower mechanism;
25. 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 ;
26. 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 5 times during the financial year 2020- 2021. The meetings were held on June 10, 2020, June 30, 2020, August 07, 2020, November 12, 2020 and February 09, 2021.

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. Premesh Kumar Jain was appointed as Chairman of the Nomination and Remuneration Committee and was also present at the 25th 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

CORPORATE GOVERNANCE REPORT

- 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 03 times during the financial year 2020-2021. The meetings were held on June 30, 2020, November 12, 2020 and February 08, 2021.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2020-21 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared.

The performance evaluation of the Independent Directors and also of the Chairman of the Board and the Board as a whole was carried out by the entire Board of Directors except by the member(s) of the Board who are subject to evaluation. The Directors expressed their satisfaction with the evaluation process. The Board also carried out the evaluation of the performance of individual directors based on criteria such as contribution of the Director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

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 Independent Directors had any pecuniary relationship or transactions with the Company during the Financial Year ended on March 31, 2021.

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 and time spent 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.

CORPORATE GOVERNANCE REPORT

- iii) The details of sitting fees for the FY 2020-2021 and Commission for the FY 2019-2020 paid during the year 2020-2021 to the Non-Executive/ Independent Directors are mentioned below:

SR. NO.	NAME OF THE DIRECTOR	SITTING FEES (AMOUNT IN LAKHS)	COMMISSION ⁵ (AMOUNT IN LAKHS)
1	Mr. Raj Kishore Tewari ¹	8.20	3.50
2	Mrs. Radhika Vijay Haribhakti ²	4.30	2.80
3	Mr. Premesh Kumar Jain ³	7.80	3.50
4	Mr. Syed S. Hussain	10.20	1.70
5	Mr. Arun Balakrishnan ⁴	-	1.20
6	Mr. Santosh Kumar ⁴	-	1.20
Total		30.50	13.90

Notes:

- Mr. Raj Kishore Tewari ceased to be Non-Executive Independent Director upon completing his Second Term on March 31, 2021.
- Special resolution for re-appointment of Mrs. Radhika Vijay Haribhakti, Non-Executive Independent Director was not passed by members of the Company at the 25th Annual General Meeting held on September 24, 2020 and subsequently ceased to be Director of the Company.
- Mr. Premesh Kumar Jain (Independent Director) ceased to be Director due to demise on April 20, 2021.
- Mr. Arun Balakrishnan and Mr. Santosh Kumar resigned from Board on account of completion of second term on September 09, 2019.
- Calculation for Commission is made, as per the method detailed below:
The Number of Meetings actually attended X ₹50,000/-
 - Additional payment of commission of ₹10,000/- is paid to the chairman of Committee meetings.
 - The total amount of commission payable to each Non-Executive Independent Director is subject to the maximum limit of ₹5 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 & Deputy Managing Director as Whole-Time Directors designated 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. Chairman, Managing Director and Deputy Managing Director are nominated by GAIL (India) Limited, Promoter of the Company.

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 analysing 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 2020-2021, total 09 (nine) 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, 2020	Nil
Complaints received during the year ended March 31, 2021	09
Complaints resolved during the year ended March 31, 2021	09
Complaints pending as on March 31, 2021	Nil

All the complaints received during the year were resolved to the satisfaction of the respective shareholders.

CORPORATE GOVERNANCE REPORT

Meeting Details

The Stakeholders Relationship Committee met once during the financial year 2020- 2021 on August 06, 2020.

D. Corporate Social Responsibility Committee (“CSR”):

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 and Social Responsibility Committee met 3 times during the financial year 2020-2021 on June 10, 2020, October 30, 2020 and January 21, 2021.

E. Performance Review Board Committee (“PRBC”):

Terms of Reference and Role of the Performance Review Board Committee:

The terms of reference and role of the Performance Review Board Committee in relation to the information / activity(ies) as mentioned in above para shall include the following :

- 1) The Performance Review Board Committee may invite such number of the executives/officers of the Company, as it considers appropriate to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives/officers of the Company;
- 2) The minutes of meetings of the Performance Review Board Committee shall be produced before the MGL Board on a regular interval;
- 3) The Performance Review Board Committee shall submit its report to the MGL Board periodically;
- 4) The Committee shall review and note the variances, if any, in the actual versus budgeted and find out the reasons of variances, if any, physical performance report of the Company, Customer Care management activities, Asset Integrity management, Key Performance Area (KPA) of concerned departments;

- 5) In case of variances or under achievement of physical targets, the Committee shall discuss the necessary remedial actions and provide advice and guidance on remedial actions;
- 6) Carrying out any other functions as mentioned herewith or as the MGL Board may advise the Committee from time to time.

Meeting Details

The Performance Review Board Committee met 3 times during the financial year 2020-2021 on June 10, 2020, November 11, 2020 and February 08, 2021.

F. 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) Framing the Risk Management Policy;
- 2) Overseeing implementation and monitoring of Risk Management Policy;
- 3) Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes;
- 4) Monitoring and reviewing the risk pertaining to cyber security;
- 5) 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;
- 6) The Committee may form and delegate authority to sub committees when appropriate;
- 7) Performing such other functions as may be necessary or appropriate for the performance of its oversight function; and
- 8) 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 2020-2021 on August 06, 2020, November 11, 2020 and February 08, 2021.

CORPORATE GOVERNANCE REPORT

4. GENERAL BODY MEETINGS:

a) Annual General Meetings ("AGM"):

Details of venue, date, time and special resolutions passed in previous three Annual General Meetings of the Company, are tabled herein below:

FINANCIAL YEAR	DATE & TIME	VENUE	SPECIAL RESOLUTION(S) PASSED
2019-20	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)	1) To re-appoint Mrs. Radhika Vijay Haribhakti as an Independent Director of the Company. 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 the special resolution was not met. Accordingly, the aforesaid resolution as set out in the AGM Notice was not passed by requisite majority.
2018-2019	September 09, 2019 at 1100 Hours	Rangsharda Auditorium, Krishna Chandra Marg, Near Lilavati Hospital, Bandra Reclamation, Bandra (West), Mumbai - 400 050	Nil
2017-2018	September 17, 2018 at 1100 Hours	IES Manik Sabhagriha, Bandra Reclamation, Bandra (West), Mumbai - 400 050	1) To re-appoint Mr. Raj Kishore Tewari as an Independent Director of the Company. 2) To enhance in aggregate Foreign Investment limit for Investment by FIIs/ FPIs from 24% to 40% of paid up equity share capital.

b) Extra-Ordinary General Meeting:

No Extra-Ordinary General meeting of the members was held during the financial year 2020-2021.

c) Postal Ballot:

No resolutions were passed by means of postal ballot, during the year.

5. MEANS OF COMMUNICATION:

- a) **Quarterly Results** : Quarterly, half-yearly and annual financial results of the Company are published in 'Financial Express' and 'Loksatta' (a regional daily newspaper 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 Filing**: Announcements, quarterly results, shareholding pattern etc. of the Company are regularly filed with the Stock Exchanges and are available on the website of BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and are also available on the website of the Company at www.mahanagargas.com.
- d) **Website and Press Release**: In compliance with Regulation 46 of the Listing Regulations, Company's website (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 and the presentation(s) made to the institutional investors or to the analysts are also uploaded on the website of the Company.

6. GENERAL SHAREHOLDER INFORMATION:

a) Twenty Sixth Annual General Meeting:

Day & Date : Tuesday, September 28, 2021

Time : 11:00 a.m.

Venue : Meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Book Closure date for Final Dividend: Tuesday September 21, 2021 to Tuesday, September 28, 2021 (both days inclusive)

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at Annual General Meeting ("AGM") are given in the Annexure to the Notice of this AGM.

b) Financial Year:

Your Company follows April-March as the Financial Year.

c) Dividend Payment:

The Board of Directors at their meeting held on February 09, 2021, declared Interim Dividend for the financial year 2020-2021 of ₹9/- 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. January 22, 2021.

The Board has recommended Final Dividend of ₹14/- per equity share for Financial Year 2020-2021. 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 September 20, 2021.

CORPORATE GOVERNANCE REPORT

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:

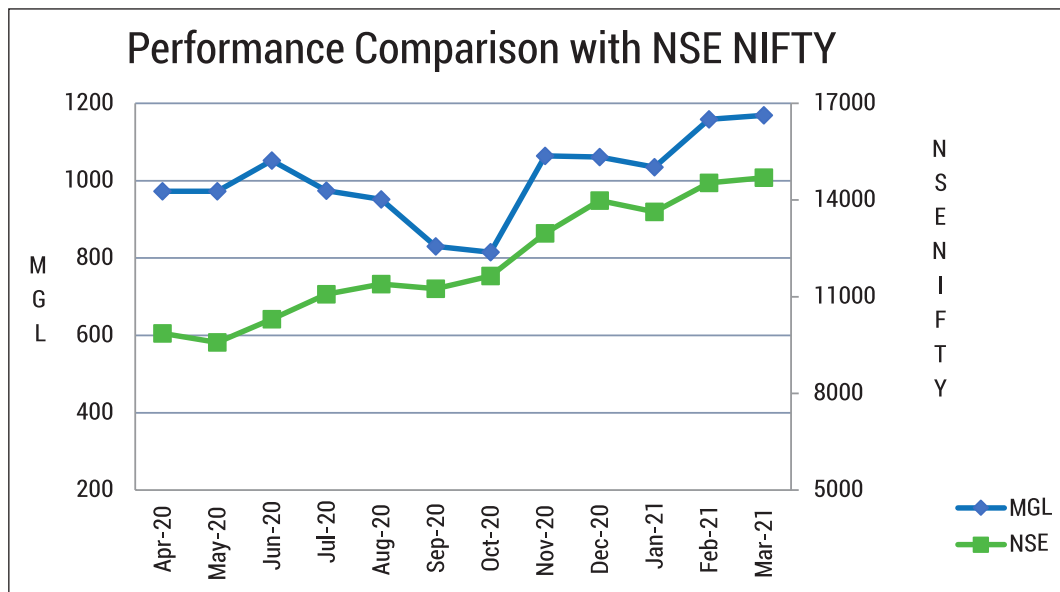
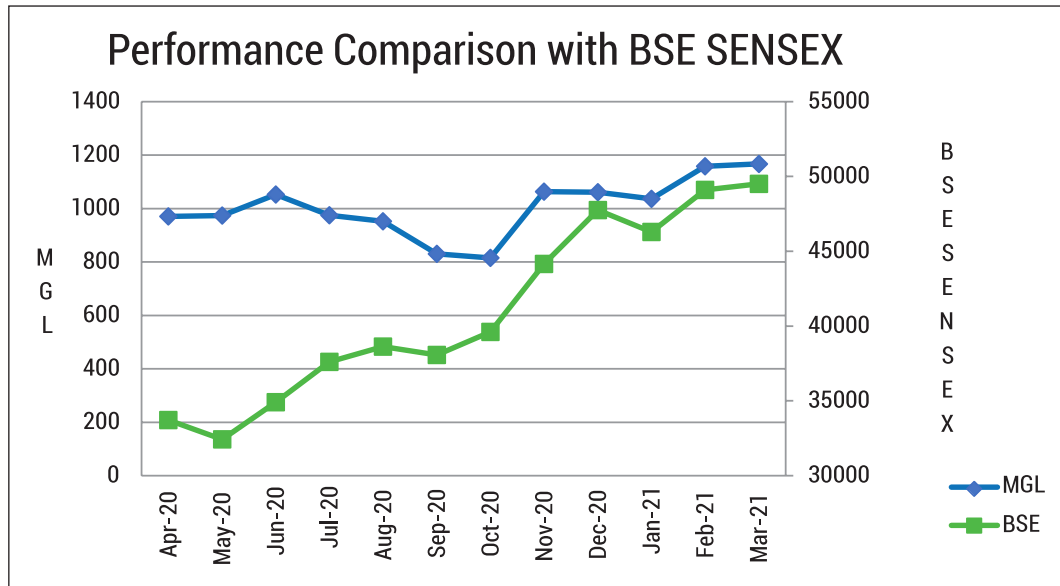
Annual Listing Fees for the financial year 2020-2021 have been paid to the both the stock exchanges. Annual Custody Fees to National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) have been paid for the financial year 2020-2021.

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 2020-2021 on BSE and NSE are as under:

MONTH - YEAR	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April-2020	988.65	801.75	990.00	801.10
May-2020	980.00	856.10	980.05	855.60
June-2020	1112.25	947.00	1,112.20	942.50
July-2020	1087.00	959.35	1,088.15	663.90
August-2020	1074.60	947.00	1,074.90	946.00
September-2020	953.60	813.00	959.95	663.90
October-2020	873.95	780.00	874.70	663.90
November-2020	1067.95	809.20	1,068.40	809.10
December-2020	1098.00	990.00	1,098.70	989.70
January-2021	1147.65	1011.30	1,147.35	1,011.35
February-2021	1233.95	1021.35	1,234.00	1,022.45
March-2021	1257.00	1079.30	1,257.00	1,078.00

Stock Performance of the Company in comparison to the broad based indices i.e. BSE Sensex and NSE Nifty:



Source: BSE and NSE website

CORPORATE GOVERNANCE REPORT

g) Dematerialization of Shares:

As on March 31, 2021, 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	%
NSDL	3.88
CDSL	96.12
Physical	<i>Negligible</i>
Total	100.00

SEBI vide notification dated June 08, 2018 and press release dated December 03, 2018 provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form 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.

Further shareholders are also requested to update their bank account details and email ids with their respective depository participants to enable the Company to provide better services.

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. 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, 2021:

NO. OF EQUITY SHARES	SHAREHOLDERS		SHAREHOLDING	
	NO	% OF TOTAL	NO.	% OF TOTAL
Upto 1000	1,50,400	99.43	74,10,783	7.50
1001 to 2000	428	0.28	6,11,546	0.62
2001 to 5000	175	0.11	5,47,869	0.56
5001 to 10000	72	0.05	5,06,350	0.51
Above 10000	191	0.13	8,97,01,230	90.81
Total	1,51,266	100.00	9,87,77,778	100.00

j) Categories of equity shareholding as on March 31, 2021:

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	3,21,02,750	32.50
	Total Shareholding of Promoter(s) and Promoter(s) Group (A)			
(B)	Public Shareholding			
	(1) State Government	1	98,77,778	10.00
	(2) Institutions			
	i) Financial Institutions/Banks	73	1,69,58,549	17.17
	ii) Foreign Institutional Investors	186	3,07,30,054	31.11
	(3) Non-Institutions			
	i) Other Bodies Corporate	616	4,95,354	0.50
	ii) Overseas Bodies Corporate/ Non Resident individuals	3129	4,74,464	0.48
	iii) Individuals	1,43,335	77,23,579	7.82
	iv) Trusts/ Clearing Members/ Hindu Undivided Family	3925	4,15,250	0.42
	Total Public Shareholding (B)			
	Total (A)+(B)	1,51,266	9,87,77,778	100.00

k) Plant Locations:

- City Gate Station, Opposite Anik Bus Depot, Sion, Mumbai - 400 022.
- City Gate Station, MIDC Mahape, Post-Koper Khairane, Navi Mumbai - 400 709.
- City Gate Station, Plot No : TAK-A, Ambernath Industrial Area, Chikhaloli, Thane – 421 506.
- City Gate Station, Plot No: J-93/2, Taloja MIDC Area, Taloja, District – Raigad – 410 208.

l) 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 (Long-term rating ₹200 Crore) (Non-fund based limit)	[ICRA] AAA	Stable
ICRA (Short term rating ₹400 Crore) (Non-fund based limit)	[ICRA] A1+	Stable
ICRA (Long-term debt ₹100 Crore)	[ICRA] AAA	Stable

m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion 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, 2021. 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.

CORPORATE GOVERNANCE REPORT

7. DISCLOSURES:

a. Disclosure on materially significant related party transactions:

All the Related party transactions (“RPTs”) entered into by your Company, during the Financial year 2020-2021 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 February 15, 2021 levied fine of ₹35,000/- plus applicable taxes and letter dated May 17, 2021 levied ₹4,50,000/- plus applicable taxes and BSE Limited (BSE) vide its e-mail dated March 05, 2021 levied fine of ₹35,000/- plus applicable taxes and letter dated May 17, 2021 levied ₹4,50,000/- plus applicable taxes for non-compliance of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulations”) for not having a Woman Independent Director on the Board of the Company. The Company had submitted reply to NSE and BSE in response to the letter and email for clarifying that the re-appointment of Mrs. Radhika Vijay Haribhakti, Woman Independent Director (DIN: 02409519) was subject to approval of the shareholders of the Company. However, the Special Resolution for re-appointment of Mrs. Radhika Vijay Haribhakti as an Independent Woman Director was not passed by the members of the Company

at the 25th Annual General Meeting (‘AGM’) held on September 24, 2020. Accordingly, Mrs. Radhika Vijay Haribhakti ceased to be Independent Director (Woman Director) of the Company effective from September 25, 2020, subsequent to receipt of Scrutinizer’s Report and declaration of Voting Results of the AGM to the Stock Exchanges. Further, the Company is reaching out to select professionals and is making efforts to fill the position of Independent Woman Director as early as possible in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. In compliance with the SOPs laid down by SEBI in this regard, the Company paid the aforesaid mentioned fines to Stock Exchanges. Company believes and promotes the best practices of corporate governance, hence had immediately acted on the advice of NSE and has paid the aforementioned amount of fine within the given time frame.

Further, there has been no instance of non-compliance with any legal requirements other than the non-compliance as mentioned above and hence, no penalties or strictures are imposed on your Company by SEBI or the stock exchanges or any statutory authority on any matter related to the capital markets during the last 3 years.

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 behaviour, 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). 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, Programmes 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 programmes which the Company plans to undertake falling within the purview of Schedule VII of the Act; and Monitoring progress of such projects or programmes.

ii. Risk Management Policy :

For assessment and minimisation of risks in terms of the provisions of Regulation 17 of the SEBI 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.

iii. Policy on Related Party Transactions (RPTs):

In terms of the provisions of Regulation 23 of the SEBI 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, SEBI 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.

iv. Code of internal procedure and conduct to monitor and report trading by Designated Persons in listed Securities of Mahanagar Gas Limited:

Your Company had 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 SEBI 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 SEBI Listing Regulations.

vi. Policy on Preservation of Documents:

In terms of the provisions of Regulation 9 of the SEBI 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

CORPORATE GOVERNANCE REPORT

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

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. The Company has not maintained an office for its non-executive Chairman.
- III. The Company publishes its results on its website at www.mahanagargas.com which is accessible to the public at large. A half-year declaration of financial performance including summary of the significant events is presently not being sent separately to each household of each shareholder. Your Company's results for each quarter are published in the newspapers having a wide circulation.
- IV. 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.
- V. The Company has separate position for Chairman and Managing Director.
- VI. The Internal Auditor reports their findings to the Audit Committee of the Company.

f) Subsidiary companies:

As on March 31, 2021, your Company does not have any subsidiary.

g) Code of Conduct:

In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013, 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). All members of the Board and Senior Management Personnel have affirmed compliance with the Code of conduct for the financial year 2020-2021.

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, Practising 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) M/s. S R B C & Co. LLP, Chartered Accountants M/s. (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 is for FY 2020-2021 given below:

(₹in lakh)

PARTICULARS	AMOUNT
Audit Fees	56.05
Out-of-pocket expense	0.23
Total	56.28

- l) **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. 2020-2021	1
2	Number of complaints disposed of during the F.Y. 2020-2021	1
3	Number of complaints pending as on end of the F.Y. 2020-2021	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, is liable to be transferred to the Investor Education and Protection Fund ("IEPF")

CORPORATE GOVERNANCE REPORT

The following table provides information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent and if not claimed within the period of 7 years, then, the same would become eligible to be transferred to the IEPF on the dates mentioned below:

FINANCIAL YEAR	DATE OF DECLARATION OF DIVIDEND AND TYPE OF DIVIDEND	TOTAL DIVIDEND (IN ₹)	UNCLAIMED DIVIDEND AS ON MARCH 31, 2021 (IN ₹)	DUE DATE FOR TRANSFER OF UNCLAIMED DIVIDEND TO IEPF
2020-21	February 09, 2021- Interim Dividend	889,000,002.00	NIL	March 09, 2028
2019-20	September 24, 2020- Final Dividend	2,518,833,339.00	2,685,920.00	October 24, 2027
2019-20	February 26, 2020 – Interim Dividend	938,388,891.00	1,480,138.00	March 28, 2027
2018-19	September 09, 2019 – Final Dividend	1,037,166,669.00	445,882.50	October 09, 2026
2018-19	January 29, 2019 – Interim Dividend	938,388,891.00	423,168.40	February 28, 2026
2017-18	September 17, 2018 – Final Dividend	1,086,555,558.00	612,953.01	October 17, 2025
2017-18	February 09, 2018 – Interim Dividend	790,222,224.00	285,032.00	March 10, 2025
2016-17	September 25, 2017 – Final Dividend	1,067,494,478.44	385,748.35	October 25, 2024
2016-17	February 11, 2017 – Interim Dividend	1,563,478,000.00	310,600.00	March 13, 2024
2015-16	September 26, 2016 – Final Dividend	776,351,042.00	578,585.00	October 26, 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

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 SEBI LODR, the details in respect of equity shares lying in the suspense / escrow account are as under:

PARTICULARS	NUMBER OF SHAREHOLDERS	NUMBER OF EQUITY SHARES HELD
Aggregate number of shareholders and the outstanding shares in the suspense / escrow account (maintained with CDSL & NSDL) lying as on April 1, 2020	0	0
Number of shareholders who approached the Company for transfer of shares from suspense / escrow account (maintained with NSDL) during the year	0	0
Number of shareholders to whom shares were transferred from the suspense / escrow account (maintained with NSDL) during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account (maintained with CDSL & NSDL) lying as on March 31, 2021	0	0

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 SEBI Listing Regulations, Mr. Sanjib Datta, Managing Director and Mr. Sunil Ranade, Chief Financial Officer have reviewed the Audited Financial Results and Cash Flow Statements for the Financial Year ended March 31, 2021 and accordingly have provided a certificate, which forms part of this Report.

CORPORATE GOVERNANCE REPORT

u) Report on Corporate Governance

As required under Regulation 27 of the SEBI 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.

The Compliance Certificate received from the Practicing Company Secretary i.e. M/s. Santosh Singh & Associates regarding compliance of Corporate Governance requirements is forming part of to 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, 2021 and to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - II. 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, 2021 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:
- I. Significant changes in the Company's internal control over financial reporting during the Financial Year ended on March 31, 2021;
 - II. Significant changes in accounting policies, if any, during the Financial Year ended March 31, 2021 have been disclosed in the notes to the Financial Statements; and
 - III. 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 : April 28, 2021

Sunil M. Ranade
Chief Financial Officer

Sanjib Datta
Managing Director

DECLARATION

As provided under the provisions of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended March 31, 2021.

Place : Mumbai
Date : April 28, 2021

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, 2021 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 except Regulation 17(1)(a) in respect of appointment of Woman Independent Director on the Board of the Company.

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 : A015964C000234094)

Place : Mumbai
Date : May 03, 2021

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) 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 31st March, 2021 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. Syed Shahzad Hussain	00209117	09/09/2019
2	Mr. Premesh Kumar Jain	02145534	09/04/2018
3	Mr. Sanjib Datta	07008785	30/05/2018
4	Mr. Raj Kishore Tewari	07056080	05/03/2015
5	Mr. Manoj Jain	07556033	06/05/2020
6	Mr. Deepak Sawant	07339381	09/05/2019

Ensuring the eligibility of 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

Place : Mumbai
 Date : April 27, 2021

Subhash Kulkarni
 Proprietor
 CP No. : 18464
 Membership No.: F4903
 UDIN: F004903C000192607

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahanagar Gas Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Mahanagar Gas Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 Ind AS 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 Ind AS 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, 2021, 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 Ind AS 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 Ind AS 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 Ind AS 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 of the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Contingencies: Raigad Minimum Work Programme Commitment (MWP)	
<i>(as described in notes 31.9 containing details of contingencies in the financial statements)</i>	
<p>The Company has a commitment to achieve MWP for its Raigad Geographical Area (GA) as per the Petroleum and Natural Gas Regulatory Board ("PNGRB") authorization letter dated April 01, 2015 under the PNGRB (Authorizing Entities to Lay, Operate or Expand City or Local Natural Gas Distribution Networks (GSR 196 (E)) Regulations, 2008. The commitment was to be achieved by March 2020 with yearly rest as stated in the authorization letter. The Company has provided a performance bank guarantee amounting to ₹ 10,500 lakhs against this commitment to PNGRB.</p> <p>Till March 31, 2018, the Company was unable to achieve the cumulative MWP target and basis the meeting with PNGRB representatives dated 12th March 2018 and the Show Cause Notice received from PNGRB dated July 23, 2018 the Company submitted the remedial action plan on August 2, 2018 to achieve the target by March 31, 2020 with revised yearly rest and had achieved its cumulative targets as per revised plan for domestic connections till March 31, 2019, however it had not achieved the cumulative target for steel inch km.</p> <p>Subsequently, on August 27, 2019, considering the inability to complete the stated obligations, PNGRB had asked the Company to submit a revised catch up plan for the next 2 years i.e till September 2021 which was submitted by the Company on November 15, 2019. The Company till March 31, 2020, had completed its cumulative obligations for domestic connections as per this revised plan.</p> <p>On February 09, 2021, the company filed an application to PNGRB, appraising PNGRB with ground level challenges faced in Raigad and has requested for extension up to March 2022. The company is yet awaiting the acceptance of such application from PNGRB</p> <p>Considering the uncertainty, the Company has disclosed the matter as a contingent liability as at March 31, 2021, as there has been no further communication received from PNGRB in this matter.</p>	<ul style="list-style-type: none"> • 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 read the copies of communication exchanged between PNGRB and the Company during the year including minutes of such meetings held along with other city gas distribution company's. • We performed inquiries with the in-house legal counsel on the legal evaluation of the PNGRB show cause letter including the legal advice obtained by the Company in the previous year. The management has informed that the legal opinion as obtained in the previous year holds good in the current situation considering there has been no changes in the current year. We understood their interpretation of the implications on the Company and obtained a specific representation on the management's interpretation. • We reviewed the progress reports submitted to PNGRB and presented by the management to us and the Board have compared the progress vis a vis the target submitted to PNGRB. • We obtained and discussed with the management and Board of Directors on its ability to achieve the commitment as per the remedial action plan. • We evaluated the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>This area is significant to our audit, since the encashment of bank guarantee is dependent on the Company achieving the targets as committed to the PNGRB as per the revised remedial plan and any further extension thereof including PNGRB's view of such default.</p> <p>Due to the complexity involved in the execution of the MWP, the management's judgement regarding completion of MWP as per revised plan and measurement of provisions for this matter is inherently uncertain and might change over time as the work on MWP progresses. Accordingly, it has been considered as a key audit matter.</p>	
<p>Impairment of slow moving/non-moving projects lying in Capital Work-in-Progress</p>	
<p><i>(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)</i></p>	
<p>As at March 31, 2021, the Company has ₹ 56,032.03 lakhs of Capital Work-in-Progress.</p> <p>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 put to use of the asset 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.</p> <p>The Company has long outstanding capital work-in progress relating to old slow/nonmoving projects which have been delayed because of several internal and external factors.</p> <p>Further, on account of the COVID 19 induced lockdown, further delays in completing these projects are expected.</p> <p>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 project's and the delays involved.</p>	<p>Our audit procedures among others included the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation and tested the operating effectiveness of key 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 after considering the delays expected on account of the current pandemic. • 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 as may be required and the allowance created and write offs made in the current year basis the policy on slow and nonmoving 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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
	<ul style="list-style-type: none"> We tested the accuracy of the ageing analysis considered for the slow and nonmoving projects, on a sample basis. 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.
<p>Contingencies: Uran Trombay Transportation Tariff Matter (as described in notes 31.9 containing details of contingencies of the financial statements)</p>	
<p>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).</p> <p>The Company has certain disputes with GAIL with respect to applicability of transportation tariff of UTNGPL as levied retrospectively from 20 November 2008 till 31 March 2021 of ₹ 31,463.35 lacs which has not been provided in the books of accounts or paid to GAIL till date.</p> <p>The 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.</p> <p>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 back the matter to APTEL on May 04, 2020 and directed APTEL to take up the matter within a period of two weeks of its PNG Bench becoming functional.</p> <p>The final arguments got concluded before APTEL and the judgement has been reserved vide order dated Oct 09,2020. Company has filed its written submissions as directed by APTEL on October 28,2020 and the matter is awaiting final judgement.</p>	<p>Our audit procedures among others included the following:</p> <ul style="list-style-type: none"> 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. 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 previous year 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 previous year 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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The claims made by the Company 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 APTEL. The Company has disclosed this fact as contingent liability as at the balance sheet date.</p> <p>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.</p>	
<p>Contingencies: Demand for Additional trade discount by Oil Marketing Companies <i>(as described in notes 31.9 containing details of contingencies of the financial statements)</i></p>	
<p>The Company had an ongoing dispute with Oil Marketing Companies (OMCs) with respect to revision of trade discount with effect from April 1, 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.</p> <p>In the current 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 has contested the proposed revisions in trade discount. At the same time the Company along with the other City Gas distribution (CGD) companies have approached the Ministry of Petroleum and Natural Gas (MOPNG) regarding such high trade discounts. MOPNG has directed that such trade discounts should be arrived at with consensus with the Company/CGD and the OMCs cannot act unilaterally.</p> <p>As at the balance sheet date, the matter is under discussion and negotiation. Pending such negotiation's and considering the management's judgement and assessment of the outcome of the matter and the measurement of provisions is inherently uncertain, this matter has been considered as a key audit matter.</p>	<p>Our audit procedures among others included the following:</p> <ul style="list-style-type: none"> • 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, MOPNG and the Company during the year. • 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 MOPNG with the appropriateness of the disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included the annual report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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 Ind AS 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 Ind AS 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 (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 Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

INDEPENDENT AUDITOR'S REPORT

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 system 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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, 2021 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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;

INDEPENDENT AUDITOR'S REPORT

- (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 Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Ind AS 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, 2021 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 Ind AS financial statements – Refer Note 31.9 to the Ind AS 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta

Partner

Membership Number: 105938

UDIN: 21105938AAAACX1455

Place of Signature: Mumbai

Date: May 24, 2021

INDEPENDENT AUDITOR'S REPORT

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets 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) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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 sale of 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, GST and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, excise duty on account of any dispute, are as follows:

INDEPENDENT AUDITOR'S REPORT

Name of Statute	Nature of Dues	Amount ₹ in lakhs*	Period	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	328.45	March 2001 - December 2004	High Court
		493.98	July 2005 - April 2016	CESTAT/CESTAT (Appeal)
		158.51	October 2009 - April 2019	Commissioner/Commissioner (Appeal)
		22.14	May 2018 - April 2019	Assistant Commissioner
Central Excise Act, 1944	Service Tax	35.86	November 2015 - September 2016	CESTAT/CESTAT (Appeal)
		78.79	April 2006 – January 2016	Commissioner/Commissioner (Appeal)
		17.64	October 2015 - March 2017	Deputy Commissioner
		2.82	April 2017 – June 2017	Superintendent of Central Goods and Service Tax
		0.55	April 2016 – June 2017	Superintend-Range II-Division IV
		700.13	October 2015 to June 2017	Commissioner Audit-II
Maharashtra Value Added Tax Act, 2002	Sales Tax	347.73	April 2006 - March 2011	Joint Commissioner/Joint Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	519.52	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 did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial

INDEPENDENT AUDITOR'S REPORT

remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938
UDIN: 21105938AAAACX1455

Place of Signature: Mumbai
Date: May 24, 2021

INDEPENDENT AUDITOR'S REPORT

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, 2021 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 Companies Act, 2013, to the extent

applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 these 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 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 control with reference to these 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 control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of

INDEPENDENT AUDITOR'S REPORT

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 these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with

reference to these 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 these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, 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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938
UDIN: 21105938AAAACX1455

Place of Signature: Mumbai
Date: May 24, 2021

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BALANCE SHEET

as at March 31, 2021

PARTICULARS	Notes	(₹ in Lakh)	
		AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
ASSETS			
I. Non-current Assets			
(a) Property, Plant and Equipment	3	204,091.06	192,621.92
(b) Capital Work-in-Progress (CWIP)	3	56,032.03	48,653.26
(c) Intangible Assets	3	565.38	463.52
(d) Right of Use Assets	3, 31.5	12,275.31	11,833.73
(e) Financial Assets			
(i) Trade Receivables	4	0.96	2.32
(ii) Security Deposits	5	3,308.15	2,798.90
(iii) Other Financial Assets	6	16.58	3.80
(f) Income Tax Assets (net)		4,972.83	4,092.83
(g) Other Non-current Assets	7	3,421.49	1,812.44
Total Non-current Assets (I)		284,683.79	262,282.72
II. Current assets			
(a) Inventories	8	2,216.47	1,856.79
(b) Financial Assets			
(i) Investments	9	102,497.57	112,146.81
(ii) Trade Receivables	4	12,751.98	6,843.01
(iii) Cash and Cash Equivalents	10	2,818.65	1,537.60
(iv) Bank balances other than (iii) above	11	48,366.94	21,409.73
(v) Security Deposits	5	456.36	441.41
(vi) Other Financial Assets	12	5,052.29	5,010.17
(c) Other Current Assets	13	1,270.22	1,274.31
Total Current Assets (II)		175,430.48	150,519.83
Total Assets (I+II)		460,114.27	412,802.55
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity Share Capital	14	9,877.78	9,877.78
(b) Other Equity	15	313,359.34	285,389.00
Total Equity (I)		323,237.12	295,266.78
II. Liabilities			
A. Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	16	5,731.25	4,900.13
(ii) Others	17	81.06	55.72
(b) Provisions	18	2,245.44	1,841.01
(c) Deferred Tax Liabilities (net)	19	17,725.06	16,066.55
Total Non-current Liabilities (A)		25,782.81	22,863.41
B. Current Liabilities			
(a) Current Financial Liabilities			
(i) Trade Payables	20		
- outstanding dues of micro and small enterprises		1,797.15	1,767.15
- outstanding dues of creditors other than micro and small enterprises		13,788.66	11,410.30
(ii) Security Deposits from customers		63,551.35	58,174.80
(iii) Lease Liabilities	16	1,679.23	1,760.70
(iv) Other Financial Liabilities	21	23,166.42	15,909.38
(b) Provisions	18	762.05	792.88
(c) Income Tax Liabilities (net)		296.91	296.91
(d) Other Current Liabilities	22	6,052.57	4,560.24
Total Current Liabilities (B)		111,094.34	94,672.36
Total Liabilities (II = A+B)		136,877.15	117,535.77
TOTAL (I+II)		460,114.27	412,802.55
See accompanying notes to the financial statements	1-31		

As per our report of even date

For S R B C & CO LLP

Chartered Accountants
FRN 324982E/E300003

Per Vikram Mehta

Partner
Membership No: 105938

Place: Mumbai
Date: May 24, 2021

For and on behalf of the Board of Directors of Mahanagar Gas Limited

Sanjib Datta

Managing Director
DIN: 07008785

S M Ranade

Chief Financial Officer
ACA No: 39230

Sanjay Shende

Deputy Managing Director
DIN: 09172642

Atul Prabhu

Company Secretary and Compliance officer
ACS No: 64051

Place: Mumbai
Date: May 24, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

PARTICULARS	Notes	(₹ in Lakh)	
		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
I Revenue from Contracts with Customers	23	233,779.29	326,448.61
II Other Income	24	8,051.09	9,895.31
III Total Income (I + II)		241,830.38	336,343.92
IV Expenses :			
Cost of Natural Gas and Traded Items	25	74,720.66	137,949.01
Changes in Inventories	26	10.15	5.04
Excise Duty on Sale of Compressed Natural Gas		18,525.58	29,235.80
Employee Benefits Expense	27	8,752.54	8,063.37
Finance Costs	28	719.44	652.50
Depreciation and Amortisation Expenses	3, 31.5	17,367.31	16,172.62
Other Expenses	29	38,374.33	45,911.89
Total Expenses		158,470.01	237,990.23
V Profit Before Tax for the year (III - IV)		83,360.37	98,353.69
VI Income Tax Expense :			
(i) Current Tax		19,774.69	23,310.14
(ii) Deferred Tax		1,627.93	(4,307.43)
Total Income Tax Expense (i+ii)		21,402.62	19,002.71
VII Profit After Tax for the year (V - VI)		61,957.75	79,350.98
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss :	30		
Gains/(Losses) on Remeasurements of the Defined Benefit Plans		121.49	(289.69)
Income tax relating to items that will not be reclassified to profit or loss		(30.57)	134.85
Total Other Comprehensive Income		90.92	(154.84)
IX Total Comprehensive Income for the year (VII + VIII)		62,048.67	79,196.14
X Earnings per equity share (EPS) (Face value of ₹ 10/- each)	31.7		
Basic (₹)		62.72	80.33
Diluted (₹)		62.72	80.33
See accompanying notes to the financial statements	1-31		

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
FRN 324982E/E300003

Per Vikram Mehta
Partner
Membership No: 105938

Place: Mumbai
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For and on behalf of the Board of Directors of Mahanagar Gas Limited

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Sanjay Shende
Deputy Managing Director
DIN: 09172642

Atul Prabhu
Company Secretary and Compliance officer
ACS No: 64051

Place: Mumbai
Date: May 24, 2021

STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	83,360.37	98,353.69
Adjustments for:		
Depreciation and Amortisation Expense	17,367.31	16,172.62
Finance Costs	719.44	652.50
Dividend Income on Investments	(98.19)	(1,568.40)
Interest Income	(3,839.59)	(3,293.45)
Gain on sale of Investments	(4,627.91)	(2,251.97)
Unrealised Gain on Investments	1,682.75	(886.84)
Writeoff, Allowance, Disposal of Property, Plant and Equipment (Net)	648.66	(88.81)
Allowance for inventory obsolescence	13.66	535.11
Expected credit loss allowance and write off on Financial Assets	(43.85)	1,001.39
Net unrealised foreign exchange (gain)/ loss	(3.11)	6.90
Operating Profit Before Working Capital Changes	95,179.54	108,632.74
Movements in working capital :		
(Increase)/Decrease in Inventories	(359.68)	55.00
(Increase)/Decrease in Trade Receivables	(5,960.72)	2,940.14
(Increase)/Decrease in Security Deposits	(515.98)	(542.08)
(Increase)/Decrease in Other Financial Assets	46.64	2,003.65
(Increase)/Decrease in Other Non Current Assets	238.91	300.44
(Increase)/Decrease in Other Current Assets	4.09	373.01
Increase/(Decrease) in Other Financial Liabilities	2,312.68	3,867.54
Increase/(Decrease) in Provisions	982.98	224.72
Increase/(Decrease) in Trade Payables	2,411.47	(2,074.32)
Increase/(Decrease) in Security Deposits (Liability)	5,369.91	6,349.58
Increase/(Decrease) in Other Current Liabilities	1,492.33	193.98
	6,022.63	13,691.66
Cash Generated from Operations	101,202.17	122,324.40
Income Taxes Paid (Net off refund)	(20,649.55)	(23,800.50)
Net Cash from Operating Activities	80,552.62	98,523.90
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment/ Intangibles/ Right to Use Assets	(33,971.23)	(43,750.51)
Proceeds from Sale of Property, Plant and Equipment/ Intangibles/ Right to Use Assets	17.70	1,167.03
Payments for purchase of Investments	(280,658.46)	(458,625.12)
Proceeds from sale of Investments	293,530.64	415,464.79
Movements in Bank Deposits not considered as Cash and Cash Equivalents	(26,873.15)	5,513.32
Interest Received	3,464.97	3,178.04
Dividend Received on Investments	98.19	1,568.40
Net Cash (used in) Investing Activities	(44,391.34)	(75,484.05)

STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
III. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Lease Liability	(2,623.55)	(2,158.42)
Dividend Paid (Includes Dividend Distribution Tax)	(32,209.99)	(21,832.50)
Interest Paid	(46.69)	(164.45)
Net Cash used in Financing Activities	(34,880.23)	(24,155.37)
Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)	1,281.05	(1,115.52)
Cash and Cash Equivalents at the beginning of the year (refer note 10)	1,537.60	2,653.12
Cash and Cash Equivalents at the end of the year (refer note 10)	2,818.65	1,537.60
See accompanying notes forming part of the financial statements		

As per our report of even date

For S R B C & CO LLP

Chartered Accountants
FRN 324982E/E300003

Per Vikram Mehta

Partner
Membership No: 105938

Place: Mumbai
Date: May 24, 2021

For and on behalf of the Board of Directors of Mahanagar Gas Limited

Sanjib Datta

Managing Director
DIN: 07008785

S M Ranade

Chief Financial Officer
ACA No: 39230

Sanjay Shende

Deputy Managing Director
DIN: 09172642

Atul Prabhu

Company Secretary and Compliance officer
ACS No: 64051

Place: Mumbai
Date: May 24, 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in Lakh)

PARTICULARS	EQUITY SHARE CAPITAL		RESERVES AND SURPLUS		TOTAL [A+B+C]
	NUMBER OF SHARES	EQUITY SHARE CAPITAL [A]	GENERAL RESERVE [B]	RETAINED EARNINGS [C]	
Balance as at 1st April 2019	98,777,778.00	9,877.78	21,183.81	208,825.42	239,887.01
Add: Profit for the Year	-	-	-	79,350.98	79,350.98
Other Comprehensive Income (Net of Tax) (refer note 30)	-	-	-	(154.84)	(154.84)
Final Dividend Paid for FY 2018-19	-	-	-	(10,371.67)	(10,371.67)
Interim Dividend Paid for FY 2019-20	-	-	-	(9,383.89)	(9,383.89)
Tax on Dividend Paid	-	-	-	(4,060.81)	(4,060.81)
Balance as at 1st April 2020	98,777,778.00	9,877.78	21,183.81	264,205.19	295,266.78
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)
Balance as at 31st March 2021	98,777,778.00	9,877.78	21,183.81	292,175.53	323,237.12

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
FRN 324982E/E300003

Per Vikram Mehta
Partner
Membership No: 105938

Place: Mumbai
Date: May 24, 2021

For and on behalf of the Board of Directors of Mahanagar Gas Limited

Sanjib Datta
Managing Director
DIN: 07008785

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Sanjay Shende
Deputy Managing Director
DIN: 09172642

Atul Prabhu
Company Secretary and Compliance officer
ACS No: 64051

Place: Mumbai
Date: May 24, 2021

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 24, 2021.

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 convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured initially 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 classified 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,

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

- 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. The company has considered operating cycle of 12 months from acquisition of assets to realisation of 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 and second wave of COVID-19 in April 2021 is causing significant disturbances and slowdown of economic activity. The Company's operations were impacted, resulting in reduction of sales volumes (except for sales volumes in household gas consumption mainly used for cooking requirements) due to lockdown advised by the State and/or Central government in view of COVID-19.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. With respect to take or pay contract arising out of purchase of Non-APM gas, Company has considered force majeure clause in view of COVID-19 being declared as a pandemic and thereby does not foresee any obligation arising out of such contract. Further in assessing the recoverability of carrying amounts of Company's assets such as Investments, loans / advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial statements and concluded that they are recoverable based on the cash flow projections.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.2 Property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

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. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets.

Accordingly, the Company had elected to measure all of its property, plant and

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

equipment and intangible assets at their previous GAAP carrying value as on April 01, 2015.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 derecognised 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

Based on the Educational Material issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account,

revenue includes excise duty.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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, 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 re instatement charges

The Company provides non recoverable refundable security deposits and recoverable re instatement 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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, 2021

3. Property, Plant and Equipment & Intangible Assets

DESCRIPTION OF ASSETS	GROSS CARRYING AMOUNT			Accumulated Depreciation/Amortisation			NET CARRYING AMOUNT	
	AS AT 1ST APRIL 2020	AS AT 31ST MARCH 2021	DISPOSALS	AS AT 1ST APRIL 2020	AS AT 31ST MARCH 2021	DISPOSALS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2021
i. Property, Plant and Equipment								
Freehold Land	821.80	821.80	-	-	-	-	821.80	821.80
Buildings & Bunk Houses	2,678.40	2,774.27	95.87	204.51	51.53	51.53	2,473.89	2,518.23
Roads & Fences	428.21	669.36	241.15	139.21	47.00	47.00	289.00	483.15
Plant & Equipment - Gas Distribution System	236,037.42	261,597.93	25,646.04	50,567.39	14,171.24	-58.32	185,470.03	196,917.62
Plant & Equipment - Others	2,584.39	2,665.42	81.88	846.41	182.60	-323.73	1,665.77	1,819.01
Computers	1,209.05	1,476.47	282.17	754.16	170.32	-13.14	454.89	565.13
Electrical Installations	973.51	1,209.05	259.45	600.26	172.33	-18.43	373.25	454.89
Office Equipments	1,073.68	1,316.92	58.22	363.23	101.73	-	445.47	360.24
Communication Systems	110.82	120.15	9.33	67.31	16.93	-1.74	43.51	35.91
Furniture and Fixtures	589.00	620.87	31.87	197.97	74.94	-	391.03	347.96
Total - Property, Plant and Equipment (i)	246,683.75	273,008.96	-100.28	54,061.83	14,927.43	-71.46	192,621.92	204,091.06
ii. Intangible Assets								
Computer Softwares / Licences (Acquired)	1,352.89	1,606.53	254.16	889.37	152.30	-0.52	463.52	565.38
Total - Intangible Assets (ii)	1,352.89	1,606.53	-0.52	889.37	152.30	-0.52	463.52	565.38
iii. Total - Property, Plant and Equipment & Intangible Assets (i+ii)	248,036.64	274,615.39	-100.80	54,951.20	15,079.73	-71.98	193,085.44	204,656.44
iv. Right to Use Assets (refer note 3.1.5)	217,400.49	16,471.90	-511.29	41,059.08	2,281.58	-346.16	11,833.73	12,275.31
v. Total (iii+iv)	12,228.01	13,742.74	-733.71	1,909.01	1,934.34	-25.33	12,228.01	11,833.73
vi. Capital work-in-progress	261,779.38	291,087.29	-100.80	56,860.21	17,367.31	-71.98	204,919.17	216,931.75
Grand Total (v+vi)	229,628.50	261,779.38	-1,245.00	41,059.08	16,172.62	-371.49	48,653.26	56,032.03
							253,572.43	272,963.78
							225,538.08	253,572.43

NOTES:

- 1) Capital Work-in-Progress includes Capital inventory of ₹ 11,959.57 Lakh (as at 31st March, 2020 ₹ 11,886.94 Lakh)
- a) Capital inventory includes material with contractors ₹ 3,364.84 Lakh (as at 31st March, 2020 ₹ 3,308.39 Lakh)
- b) Capital inventory includes material in transit ₹ 203.95 Lakh (as at 31st March, 2020 ₹ 148.92 Lakh)
- c) As at March 31, 2021, ₹ 536.13 Lakh (March 31, 2020 ₹ 680.34 Lakh) has been recognised as an allowance for inventory obsolescence.
- d) As at March 31, 2021, ₹ 172.27 Lakh (March 31, 2020 ₹ 204.70 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, 2021

4. Trade Receivables

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
(a) Current		
Secured, Considered Good (secured against security deposits)	3,388.08	2,962.70
Unsecured, Considered Good #	9,363.90	3,880.31
Unsecured, Considered doubtful	401.19	406.18
	13,153.17	7,249.19
Less : Allowance for Doubtful Trade Receivables	401.19	406.18
	12,751.98	6,843.01
(b) Non-current		
Unsecured Considered Good	0.96	2.32
Total - Trade Receivables (a+b)	12,752.94	6,845.33

Includes ₹0.37 Lakh (Previous year ₹0.97 Lakh) receivable from related parties (refer note 31.3)

5. Security Deposits

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
(a) Current		
Unsecured, Considered Good #	456.36	441.41
Unsecured, Considered doubtful	356.95	293.30
	813.31	734.71
Less: Expected credit loss allowance for Security Deposits	356.95	293.30
Sub total (a)	456.36	441.41
(b) Non-current		
Unsecured, Considered Good	3,308.15	2,798.90
Unsecured, Considered doubtful	231.51	385.61
	3,539.66	3,184.51
Less: Expected credit loss allowance for Security Deposits	231.51	385.61
Sub total (b)	3,308.15	2,798.90
Total - Security Deposits (a+b)	3,764.51	3,240.31

Includes ₹8.00 Lakh (Previous year ₹6.00 Lakh) receivable from related parties (refer note 31.3)

6. Other Non-current Financial Assets

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Other Bank Balances #	16.58	3.80
	16.58	3.80

includes margin money deposit ₹16.58 Lakh (previous year ₹3.80 Lakh)

2) Figures in italics represent previous year's figures.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

7. Other Non-current Assets

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Capital Advances #	2,159.18	311.22
Prepaid Rent on Leasehold Land	345.24	345.24
Prepaid Expenses	752.70	994.26
Balances with Government Authorities	164.37	161.72
	3,421.49	1,812.44

Includes ₹2,159.18 Lakh (Previous year ₹310.50 Lakh) receivable from related parties (refer note 31.3)

8. Inventories (at lower of Cost and Net Realisable Value)

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Stock in Trade:		
Stock of Natural Gas	33.84	43.99
Stores and Spares	2,182.63	1,812.80
	2,216.47	1,856.79

Stores and Spares in Transit is ₹ NIL (previous year ₹0.61 Lakh)

As at March 31, 2021, ₹514.28 Lakh (March 31, 2020, ₹528.62 Lakh) has been recognised as an allowance for inventory obsolescence

9. Investments

a. Carried at Fair Value through profit or Loss

Name of Mutual Fund Scheme (Unquoted)	Face Value (₹)	NUMBER OF UNITS		AMOUNT	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
Axis Liquid Fund - Direct Plan - Growth	1,000	-	3,55,447	-	7,835.25
Axis Banking & PSU Debt Fund - Growth	1,000	1,41,738	1,41,738	2,973.37	2,751.14
Axis Overnight Fund - Direct Plan - Growth		3,78,701	-	4,119.96	-
Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth	100	-	13,65,139	-	4,362.43
Aditya Birla Sun Life Overnight Fund - Direct Plan - Growth		5,85,823	-	6,519.84	-
DSP Liquidity Fund - Direct Plan - Growth	1,000	-	3,53,273	-	10,035.48
HDFC Liquid Fund - Direct Plan - Growth	10	-	41,510	-	1,621.65

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹ in Lakh)

Name of Mutual Fund Scheme (Unquoted)	Face Value (₹)	NUMBER OF UNITS		AMOUNT	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
HDFC Overnight Fund - Direct Plan - Growth		3,30,738	-	10,114.18	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	100	15,10,415	11,95,920	4,602.78	3,513.39
ICICI Prudential Savings Fund-Growth - DIRECT PLAN	100	-	18,45,040	-	7,202.49
ICICI PRU EQUITY ARBITRAGE FUND -DIVIDEND		-	1,76,37,014	-	2,569.75
IDFC Banking & PSU Debt Fund - Growth		5,58,68,678	5,79,49,553	10,917.02	10,410.12
IDFC ARBITRAGE FUND - DIRECT PLAN - MONTHLY DIVIDEND		-	1,94,14,241	-	2,568.35
Kotak Low Duration Fund - Standard Growth (Regular Plan)	1,000	-	3,08,948	-	7,613.60
Kotak Equity Arbitrage Fund - Direct Plan - Monthly Dividend	10	-	1,19,06,234	-	1,330.18
Kotak Equity Arbitrage Fund - Direct Plan - Fortnightly Dividend	10	-	55,00,103	-	1,295.88
L&T Liquid Fund - Direct Plan - Growth	1,000	-	3,71,388	-	10,107.80
Nippon India Banking PSU & Debt Fund - Growth		4,26,44,389	-	7,002.72	-
Reliance Arbitrage Fund - Direct Monthly Dividend Plan	10	-	2,42,44,541	-	2,701.01
SBI Liquid Fund - Direct Plan - Growth	1,000	-	2,12,428	-	6,604.42
SBI Overnight Fund - Direct Plan - Growth		1,89,144	-	6,339.62	-
TATA Liquid Fund - Direct Plan - Growth	1,000	-	37,113	-	1,162.38
TATA Overnight Fund - Direct Plan - Growth		2,71,702	-	2,950.50	-
UTI Overnight Fund - Direct Plan - Growth		2,20,691	-	6,218.31	-
Total Investment in Mutual Funds (Unquoted)				61,758.30	83,685.32

b. Carried at Amortised Cost

Particulars	31.03.2021	31.03.2020
Fixed Deposit with LIC Housing Finance Ltd.	25,268.90	15,421.08
Fixed Deposit with HDFC Ltd.	15,470.37	13,040.41
Total of Corporate FDs	40,739.27	28,461.49
Grand Total (a+b) (Unquoted Investments)	1,02,497.57	1,12,146.81

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

10. Cash and Cash Equivalents

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Cash on Hand	1.22	2.20
Cash in Transit	239.67	87.60
Balances with Banks		
- in Current Accounts	2,577.76	1,447.80
Total - Cash and Cash Equivalents (refer Cash Flow Statement)	2,818.65	1,537.60

11. Other Bank Balances

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
In Deposit Accounts	43,270.07	18,171.71
Margin Money Deposits	135.28	144.78
In Dividend Accounts	4,961.59	3,093.24
	48,366.94	21,409.73

12. Other Current Financial Assets

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Unbilled Revenue	4,563.67	4,214.92
Miscellaneous Receiveable and Others	562.08	1,008.43
	5,125.75	5,223.35
Less : Allowance for Doubtful Miscellaneous Receiveable	73.46	213.18
	5,052.29	5,010.17

As at March 31, 2021, ₹485.56 Lakh (March 31, 2020, ₹578.54 Lakh) has been recognised as Provision for Expected Credit Loss on RI Refundable

13. Other Current Assets

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Prepaid Expenses	932.16	917.68
Balances with Government Authorities (Central Excise, GST, VAT, etc.)	227.98	272.74
Advances to Employees / Vendors	110.08	83.89
	1,270.22	1,274.31

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

14. Equity Share Capital

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Authorised Equity Share Capital		
13,00,00,000 (previous year 13,00,00,000) Equity Shares of ₹10/- each	13,000.00	13,000.00
Issued, Subscribed and Fully Paid Equity Shares		
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.

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Details of Shareholders holding more than 5% Shares		
GAIL (India) Limited		
Number of Shares	32,102,750	32,102,750
Percentage	32.50	32.50
Government of Maharashtra		
Number of Shares	9,877,778	9,877,778
Percentage	10.00	10.00
Vontobel Fund		
Number of Shares	7,733,751	75,000
Percentage	7.83	0.08
Life Insurance Corporation Of India		
Number of Shares	5,572,819	1,590,784
Percentage	5.64	1.61

15. Other Equity

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
General Reserve	21,183.81	21,183.81
Retained Earnings	292,175.53	264,205.19
	313,359.34	285,389.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

16. Lease Liabilities (refer note 31.5)

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Non Current Lease Liabilities	5,731.25	4,900.13
Current Lease Liabilities	1,679.23	1,760.70
	7,410.48	6,660.83

17. Non Current Financial Liabilities - Others

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Security Deposits from vendors	81.06	55.72
	81.06	55.72

18. Provisions

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
a. Current (refer note 31.1)		
Leave Encashment	716.81	520.99
Post Retirement Medical Benefit	5.05	4.26
Gratuity	11.20	252.11
Other Employee Benefits Obligations	28.99	15.52
Total (a)	762.05	792.88
b. Non-current (refer note 31.1)		
Leave Encashment	1,392.38	1,021.87
Post Retirement Medical Benefit	646.06	636.68
Other Employee Benefits Obligations	207.00	182.46
Total (b)	2,245.44	1,841.01
Total Provisions (a+b)	3,007.49	2,633.89

19. Deferred Tax Liabilities (Net) (refer note 31.6)

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Deferred Tax Liabilities	20,881.29	18,968.51
Less : Deferred Tax Assets	3,156.23	2,901.96
	17,725.06	16,066.55

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

20. Trade Payables

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Micro, Small and Medium Enterprises (refer note 31.10)	1,797.15	1,767.15
Other Trade Payables	10,866.69	8,999.16
	12,663.84	10,766.31
To Related Parties (Refer note 31.3)	2,921.97	2,411.14
	15,585.81	13,177.45

21. Current Financial Liabilities - Others

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Unpaid Dividends	4,961.57	3,093.23
Payables for purchase of property, plant and equipment	8,307.65	5,719.52
Others	9,897.20	7,096.63
	23,166.42	15,909.38

22. Other Current Liabilities

PARTICULARS	(₹ in Lakh)	
	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Statutory Payables	3,755.88	2,557.71
Advances from Customers	2,253.99	1,957.77
Others	42.70	44.76
	6,052.57	4,560.24

23. Revenue from Contracts with Customers (refer note 31.13)

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Sale of Natural Gas (Including Excise Duty)	2,31,745.50	3,23,809.52
Sale of Pipes, Fittings and Other Materials	379.49	529.48
Other Operating Income	1,654.30	2,109.61
	2,33,779.29	3,26,448.61

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

24. Other Income

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
a. Interest Income		
From Bank Deposits	1,429.14	1,720.26
From Other Financials Assets	2,410.45	1,573.19
	3,839.59	3,293.45
b. Dividend Income		
From Mutual Funds designated at FVTPL	98.19	1,568.40
c. Other Gains and Losses		
Gain/(Loss) on Debt Instruments designated at FVTPL [#]	2,945.16	3,138.81
	2,945.16	3,138.81
d. Other Non-operating Income	1,168.15	1,894.65
Total Other Income (a+b+c+d)	8,051.09	9,895.31

[#]Includes unrealised increase/(decrease) in fair value of ₹1,477.80 Lakh (previous year ₹2,722.34 Lakh)

25. Cost of Natural Gas and Traded Items

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Purchase Cost of Natural Gas and Other Charges	74,556.75	137,861.63
Less: Captive Consumption (Including VAT)	165.64	371.73
	74,391.11	137,489.90
Purchase of Pipes, Fittings and Other Materials	329.55	459.11
	74,720.66	137,949.01

26. Changes in Inventories

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Changes in Stock of Natural Gas:		
Opening Stock	43.99	49.03
Closing Stock	33.84	43.99
(Increase) / Decrease in Stock	10.15	5.04

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

27. Employee Benefits Expense

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Salaries, Wages and Allowances	9,042.51	8,639.10
Contribution to Provident Fund and Other Funds (Refer note 31.1)	474.84	422.35
Gratuity (Refer note 31.1)	135.56	124.23
Staff Welfare	388.75	914.35
Secondment Charges	185.86	164.33
	10,227.52	10,264.36
Less: Transfer to Capital Work-in-Progress	1,474.98	2,200.99
	8,752.54	8,063.37

28. Finance Costs

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Interest on lease liability (refer note 31.5)	640.77	579.66
Other Interest Expense	78.67	72.84
	719.44	652.50

29. Other Expenses

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Power and Fuel	7,295.45	11,701.33
CNG Dispensing Charges (refer note 31.5)	4,503.02	6,605.74
Consumption of Stores and Spares	2,068.90	2,885.27
Insurance	457.51	292.18
Rent Expense (refer note 31.5)	3,070.12	1,776.43
Rates and Taxes	451.39	438.68
Repairs to Buildings	0.75	12.14
Repairs to Plant and Machinery	6,618.31	6,512.73
Write-off, Allowance and Loss on Disposal of CWIP and Property, Plant and Equipment	648.66	205.55
Bad Trade Receivables Written Off	58.10	10.82
Allowance for Doubtful Trade Receivables (Net)	-	163.14
Allowance for Doubtful Miscellaneous Receivable	(139.71)	213.18
Security Deposits Written off	82.23	111.11
Expected credit loss allowance for Security Deposits (Net)	(90.45)	(28.34)
Refundable Reinstatement Charges written off	135.82	48.78
Expected credit loss allowance for Refundable Reinstatement Charges (Net)	(84.85)	482.70
Allowance for inventory obsolescence	13.66	535.11
Corporate Social Responsibility Expenditure (Refer Note 31.12)	1,660.61	859.48
Miscellaneous Expenses (refer note 31.5, 31.11)	11,747.47	13,479.68
	38,496.99	46,305.71
Less: Transfer to Capital Work-in-Progress	122.66	393.82
	38,374.33	45,911.89

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

30. OCI - Items that will not be reclassified to profit or loss

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Gains/(Losses) on Remeasurements of the Defined Benefit Plans	121.49	(289.69)
Less : Income Tax on Remeasurements of the Defined Benefit Plans	(30.57)	134.85
OCI - Items that will not be reclassified to profit or loss (Net of Income Tax)	90.92	(154.84)

31. Disclosures under Indian Accounting Standards:

31.1 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 Company recognised ₹**474.84 Lakh** (previous year ₹422.35 Lakh) as an expense and included in Note 27 – Employee Benefit Expenses 'Contribution to Provident Fund and Other Funds' in the Statement of Profit and Loss for the year ended March 31, 2021.

ii) Defined Benefit Plans

The Company offers the following defined benefit schemes to its employees:

- Gratuity (refer note 27): 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 27): 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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, 2021		FOR THE YEAR ENDED MARCH 31, 2020	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)	GRATUITY (FUNDED)	PRMB (UNFUNDED)
Current Service Cost	118.37	84.15	110.62	44.27
Interest Cost (Net)	17.19	43.71	13.61	28.70
Total Expense recognised in the Statement of Profit and Loss	135.56	127.86	124.23	72.97

Amount recognised in Other Comprehensive Income

(₹ in Lakh)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2021		FOR THE YEAR ENDED MARCH 31, 2020	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)	GRATUITY (FUNDED)	PRMB (UNFUNDED)
Gain/(Loss) Due to change in Demographic Assumptions	(1.73)	47.51	4.81	(26.32)
Gain/(Loss) Due to change in Financial Assumptions	(5.90)	(8.21)	91.26	140.89
Gain/(Loss) Due to Experience	11.18	(153.51)	(14.48)	75.94
Return on Plan Assets (excluding amounts included in net interest expense)	(10.83)	-	17.59	-
Total Remeasurement (gains)/losses recognised in OCI	(7.28)	(114.21)	99.18	190.51

Net Asset/ (Liability) recognised in the Balance Sheet

(₹ in Lakh)

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)	GRATUITY (FUNDED)	PRMB (UNFUNDED)
Present value of Defined Benefit Obligation	(1,936.40)	(651.11)	(1,745.16)	(640.93)
Fair value of Plan Assets	1,925.20	-	1,493.05	-
Net Asset/ (Liability) recognised in the Balance Sheet	(11.20)	(651.11)	(252.11)	(640.93)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

Change in defined obligation (DBO) during the year

(₹ in Lakh)

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)	GRATUITY (FUNDED)	PRMB (UNFUNDED)
Present value of DBO at beginning	1,745.16	640.93	1,562.54	380.61
Current Service Cost	118.37	84.15	110.62	44.27
Interest Cost	119.02	43.71	117.82	28.70
Remeasurement (gain)/loss	3.55	(114.21)	81.58	190.51
Benefits paid	(49.70)	(3.47)	(127.40)	(3.16)
Present value of DBO at the end	1,936.40	651.11	1,745.16	640.93

Change in the fair value of Asset during the year – Gratuity (Funded)

(₹ in Lakh)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Plan Assets at beginning	1,493.05
Interest Income	101.83	104.21
Return on Plan Assets (excluding amounts included in net interest expense)	10.83	-17.59
Employer contribution	369.19	151.74
Benefits paid	-49.70	-127.40
Plan Assets as at the end #	1,925.20	1,493.05
Actual return on Plan Assets	112.66	86.62

Category-wise composition of the plan assets is not available with the Company since the fund is managed by LIC.

Principal Actuarial assumptions

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)	GRATUITY (FUNDED)	PRMB (UNFUNDED)
Discount rate	6.86%	6.86%	6.82%	6.82%
Expected rate of escalation in salary	7.50%	NA	7.50%	NA
Attrition	6.08%	6.08%	6.49%	6.49%
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 (₹ Lakh)	137.64	NA	250.40	NA

Maturity analysis of Projected Benefit Obligation

(₹ in Lakh)

Particulars	AS AT MARCH 31, 2021	
	GRATUITY (FUNDED)	PRMB (UNFUNDED)
1st Following Year	158.66	39.91
2nd Following Year	149.19	22.19
3rd Following Year	153.10	20.09
4th Following Year	150.72	23.27
5th Following Year	150.50	34.16
Sum of Years 6 To 10	904.43	201.47

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

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, 2021		AS AT MARCH 31, 2020	
		INCREASE BY ₹ LAKH	DECREASE BY ₹ LAKH	INCREASE BY ₹ LAKH	DECREASE BY ₹ LAKH
Discount rate	+/- 1%	257.30	(315.21)	242.27	(297.61)
Expected rate of escalation in salary	+/- 1%	(104.11)	103.29	(96.99)	96.63
Attrition rate	+/- 1%	91.68	(159.23)	92.11	(158.83)
Medical Cost Inflation	+/- 1%	(166.82)	127.09	(164.24)	125.12

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 ₹618.38 Lakh (previous year ₹306.30 Lakh) and ₹62.10 Lakh (previous year ₹76.44 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 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Discount rate	6.86%	6.82%
Salary escalation	7.50%	7.50%
Attrition	6.08%	6.49%

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.

NA: Not Applicable

31.2 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, 2021.

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, 2021 and three customers during the year ended March 31, 2020 contributed to more than 10% of the revenue individually. Revenue from these customers is ₹83,436.79 Lakh (previous year ₹1,56,891.13 Lakh).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

31.3 Related Party Transactions

GAIL (India) Limited (GAIL) has a significant influence on the Company. BG Asia Pacific Holdings Pte. Limited (BGAPHPL) had 10% holding till 20th August 2019 on which date its shareholding reduced to Nil.

Details of transactions with related entities (including entities transacting on behalf of related entities), in ordinary course of business:

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Purchase of Natural Gas (from GAIL)	67,088.60	1,34,554.44
Secondment Charges (also included in KMPs' remuneration, refer table below)	185.86	164.33
Other Expense	6.73	17.73
Capital Expense	70.14	17.87
Other Income (subsidiary/Joint Ventures of GAIL)	1.30	3.47
Capital Advance	1,918.73	310.50
Security Deposit given	2.00	-

Following is the list of Key Managerial Personnel (KMPs') as per Ind AS 24:

- Mr. Manoj Jain, Non-Executive Chairman (from 6th May 2020) - GAIL Nominee #
- Mr. Sanjib Datta, Managing Director
- Mr. Sanjay Shende, Whole Time Director (from 24th May, 2021)
- Mr. Syed S. Hussain, Independent Director (from 9th September 2019)
- Mr. Baldev Singh, Non-Executive Director (from 28th April 2021) – Government of Maharashtra Nominee #
- Mr. Premesh Kumar Jain, Independent Director (upto 20th April 2021)
- Mr. Deepak Sawant, Whole Time Director (from 9th May 2019 to 5th April, 2021)
- Mr. Raj Kishore Tewari, Independent Director (upto 31st March 2021)
- Mrs. Radhika Haribhakti, Independent Director (upto 25th September 2020)
- Dr. Ashutosh Karnatak, Non-Executive Chairman (from 1st August 2019 to 6th May 2020) - GAIL Nominee #
- Mr. Arun Balakrishnan, Independent Director (upto 9th September 2019)
- Mr. Santosh Kumar, Independent Director (upto 9th September 2019)
- Mr. Akhil Mehrotra, Non-Executive Director (upto 9th May 2019) - BGAPHPL Nominee #
- Mr. Trivikram Arun Ramanathan, Non-Executive Director (from 10th May 2019 to 20th August 2019) - BGAPHPL Nominee #

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

- o. Mr. Bhuwan Chandra Tripathi, Non-Executive Chairman (from 29th November 2018 to 1st August 2019) - GAIL Nominee #
- p. Mr. Satish Gavai, Non-Executive Director (upto July 31, 2019) - Government of Maharashtra Nominee#
- # No remuneration paid to nominee directors.

As at March 31, 2021, the position of woman director as required under section 149 of Companies Act, 2013 is vacant and the company is in the process of filling the vacancy.

Details of KMPs' remuneration including directors sitting fee:

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Short Term Employee Benefits (including secondment charges paid to related entities)	257.72	244.66

Outstanding balance with related entities having significant influence on the Company:

PARTICULARS	(₹ in Lakh)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Trade Payables #	2,921.97	2,411.14
Trade Receivables	0.37	0.97
Capital Advance	2,159.18	310.50
Other Receivable	0.08	0.08
Security Deposits (Receivable)	8.00	6.00

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, 2021

31.4 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, 2021	AS AT MARCH 31, 2020
A. Financial Assets			
I. Measured at Fair Value Through Profit or Loss (FVTPL)			
(i) Investments	9	61,758.30	83,685.32
II. Measured at Amortised Cost			
(i) Investments: Corporate Fixed Deposits	9	40,739.27	28,461.49
(ii) Trade Receivables	4	12,752.94	6,845.33
(iii) Security Deposits	5	3,764.51	3,240.31
(iv) Cash and Cash Equivalents	10	2,818.65	1,537.60
(v) Bank balances other than (iv) above	11	48,366.94	21,409.73
(vi) Other Financial Assets	6,12	5,068.87	5,013.97
Total (A)		1,75,269.48	1,50,193.75
B. Financial Liabilities			
I. Measured at Amortised Cost			
(i) Trade Payables	20	17,741.84	13,177.45
(ii) Lease Liabilities	16	7,410.48	6,660.83
(iii) Security Deposits	17	63,632.41	58,230.52
(iv) Other Financial Liabilities	21	20,522.58	15,909.38
Total (B)		1,09,307.31	93,978.18

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 2021.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(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, 2021 is ₹ **61,758.30 Lakh** (previous year ₹ 83,685.32 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, 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 borrowings 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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

Age of trade receivables as on March 31, 2021

(₹ in Lakh)

AGEING	WITHIN THE CREDIT PERIOD	UPTO 6 MONTHS	6 MONTHS TO 1 YEAR	ABOVE 1 YEAR	TOTAL
Gross Amount	9,798.92	2,571.64	238.60	544.97	13,154.13
Loss allowance for trade receivables	-	-	-	(401.19)	(401.19)
Net Trade receivables	9,798.92	2,571.64	238.60	143.78	12,752.94

Age of trade receivables as on March 31, 2020

(₹ in Lakh)

AGEING	WITHIN THE CREDIT PERIOD	UPTO 6 MONTHS	6 MONTHS TO 1 YEAR	ABOVE 1 YEAR	TOTAL
Gross Amount	4,568.72	2,182.02	155.60	345.17	7,251.51
Loss allowance for trade receivables	-	(30.10)	(131.51)	(244.57)	(406.18)
Net Trade receivables	4,568.72	2,151.92	24.09	100.60	6,845.33

Reconciliation of loss allowance for trade receivables

(₹ in Lakh)

PARTICULARS	AMOUNT
Loss allowance as at March 31, 2020	406.18
Changes in loss allowance	(4.99)
Loss allowance as at March 31, 2021	401.19

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

The Company's maximum exposure to credit risk is the carrying value of each class of financial assets as disclosed in note 4,5,6,9,10,11 and 12.

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Investments in banks and corporate deposits though carries counterparty credit risk considering situation due to COVID-19, is well diversified and tenure is approximately 1 year, is valued at amortised cost, as no material impact is expected. The value of investments in mutual funds which mainly consists of debt securities is marked to market, which factors the uncertainties arising out of COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

As at March 31, 2021

(₹ in Lakh)

PARTICULARS	UPTO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	17,741.84	-	17,741.84
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
Total	103,495.00	5,812.31	109,307.31

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

As at March 31, 2020

(₹ in Lakh)

PARTICULARS	UPTO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	13,177.45	-	13,177.45
Lease Liabilities	2,287.52	7,297.73	9,585.25
Security Deposits	58,174.80	55.72	58,230.52
Others	15,909.38	-	15,909.38
Total	89,549.15	7,353.45	96,902.60

(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.

The table below shows the unhedged currency exposure of financial liabilities:

PARTICULARS	CURRENCY	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
		FOREX	₹ IN LAKH	FOREX	₹ IN LAKH
Capital Imports	USD	1,05,028.73	77.20	2,22,494.73	167.73
Capital Imports	EUR	1,55,786.58	134.13	-	-
Import of Goods & Services	USD	30,791.00	22.63	30,791.00	23.21

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 ON MARCH 31, 2021	AS ON MARCH 31, 2020
USD Sensitivity :		
Increase by 5%	4.99	9.55
Decrease by 5%	4.99	9.55
EUR Sensitivity :		
Increase by 5%	6.71	-
Decrease by 5%	6.71	-

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

31.5 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 all leases being 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.

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, 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
Balance as at March 31, 2021	8,975.67	1,761.83	1,165.98	371.83	12,275.31

For the year ended March 31, 2020:

PARTICULARS	LAND	BUILDING	PLANT & MACHINERY	VEHICLES	TOTAL
Reclassification on account of adoption of IND AS 116	8,763.58	2,243.80	1,171.44	49.19	12,228.01
Additions	89.56	1,096.69	693.44	368.75	2,248.44
Disposals	733.71	-	-	-	733.71
Depreciation for the year	281.70	815.55	728.39	108.70	1,934.34
Depreciation on Disposals	(25.33)	-	-	-	(25.33)
Balance as at March 31, 2020	7,863.06	2,524.94	1,136.49	309.24	11,833.73

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

The following is the break-up of current and non-current lease liabilities:

LEASE LIABILITIES - OTHER FINANCIAL LIABILITY	(₹ in Lakh)	
	AS ON MARCH 31, 2021	AS ON MARCH 31, 2020
Current Lease liabilities	1,679.23	1,760.70
Non-current Lease liabilities	5,731.25	4,900.13
Total lease liabilities	7,410.48	6,660.83

The table below provides details regarding the contractual maturities of lease liabilities:

As at March 31, 2021 on an undiscounted basis:

MATURITY ANALYSIS OF CONTRACTUAL UNDISCOUNTED CASH FLOW	(₹ in Lakh)				
	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
Total undiscounted lease liabilities	2,272.85	4,142.99	2,230.80	2,610.45	11,257.09

As at March 31, 2020 on an undiscounted basis:

MATURITY ANALYSIS OF CONTRACTUAL UNDISCOUNTED CASH FLOW	(₹ in Lakh)				
	LESS THAN 1 YEAR	1 - 5 YEARS	6 - 10 YEARS	MORE THAN 10 YEARS	TOTAL
Land	337.47	1,360.43	1,317.79	1,825.38	4,841.07
Building	1,014.68	2,078.27	-	-	3,092.95
Plant & Machinery	814.97	468.37	-	-	1,283.34
Vehicles	120.40	247.49	-	-	367.89
Total undiscounted lease liabilities	2,287.52	4,154.56	1,317.79	1,825.38	9,585.25

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 March 31, 2021 and as at March 31, 2020.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

2. Amounts recognized in the Statement of Profit and Loss:

	(₹ in Lakh)	
AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS	2020-2021	2019-2020
Other expenses		
Short-term lease rent expense	282.19	521.77
Low value asset lease rent expense	10.61	6.15
Variable lease rent expense	4,503.02	4,099.70
Depreciation and Amortisation Expenses		
Depreciation of right of use lease asset	2,287.58	1,934.34
Finance cost		
Interest expense on lease liability	640.77	579.66

3. Amount recognized in statement of cash flow:

	(₹ in Lakh)	
AMOUNT RECOGNIZED IN STATEMENT OF CASH FLOW	2020-2021	2019-2020
Total cash outflow for leases	2,623.55	2,158.42

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

31.6 Income Tax

a. Components and movements of Deferred Tax Liability (Net):

(₹ in Lakh)

PARTICULARS	AS AT 31ST MARCH 2019 (A)	RECOGNISED TO STATEMENT OF PROFIT AND LOSS (B)	RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (C)	RELATING TO PREVIOUS PERIODS ON CHANGE IN TAX RATE (D)	RELATING TO PREVIOUS PERIODS ON CHANGE IN TAX RATE OF OTHER COMPREHENSIVE INCOME (E)	AS AT 31ST MARCH 2020 (F=A+B+C-D-E)	RECOGNISED TO STATEMENT OF PROFIT AND LOSS (G)	RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (H)	AS AT 31ST MARCH 2021 (I=F+G+H)
i. Items of Deferred Tax Liabilities:									
Property, Plant and Equipment and Intangible Assets	(20,442.23)	(1,675.92)	-	(5,718.95)	-	(16,399.20)	(2,181.60)	-	(18,580.80)
RoU Assets	-	(1,608.55)	-	-	-	(1,608.55)	(131.14)	-	(1,739.69)
Financial Assets Fair Value through profit or loss	(1,021.63)	(224.95)	-	(285.82)	-	(960.76)	399.96	-	(560.80)
Total Deferred Tax Liability (i)	(21,463.86)	(3,509.42)	-	(6,004.77)	-	(18,968.51)	(1,912.78)	-	(20,881.29)
ii. Items of Deferred Tax Assets :									
Lease Assets	-	1,676.40	-	-	-	1,676.40	188.66	-	1,865.06
Allowance for doubtful trade receivables and deposits and other balances	85.01	266.67	-	23.78	-	327.90	(16.89)	-	311.01
Dis-allowance under Section 49B of the Income Tax Act, 1961	844.99	205.12	47.95	298.34	(61.94)	861.66	135.71	(30.57)	966.80
Others	49.99	-	-	13.99	-	36.00	(22.64)	-	13.36
Total Deferred Tax Assets (ii)	979.99	2,148.19	47.95	336.11	(61.94)	2,901.96	284.84	(30.57)	3,156.23
Net Deferred Tax Liability (i-ii)	(20,483.87)	(1,361.23)	47.95	(5,668.66)	(61.94)	(16,066.55)	(1,627.94)	(30.57)	(17,725.06)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

b. Components of Income Tax Expense

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Income Tax Expense		
i. Current Tax		
Current Tax on Profits for the year	19,751.05	23,034.90
Effect of tax relating to prior periods	23.62	275.24
Total Current Tax (i)	19,774.67	23,310.14
ii. Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	(284.83)	(2,148.19)
Increase / (Decrease) in Deferred Tax Liability	1,912.78	3,509.42
Adjustment: Due to Change in Tax Rate	-	(5,668.66)
Total Deferred Tax (ii)	1,627.95	(4,307.43)
Total Income Tax Expense (i+ii)	21,402.62	19,002.71

c. Reconciliation of Income Tax Expense with Accounting Profit:

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
i. Profit Before Tax	83,360.37	98,353.69
ii. Tax at Indian Tax Rate of 25.17%	20,980.12	24,753.66
iii. Tax effect of Permanent Differences:		
a. Due to impact of change in tax rates	-	(5,668.67)
b. Effect of exempt income	-	(394.73)
c. Effect of Long Term Capital Gain	(229.19)	(218.78)
d. Effect of tax relating to prior periods	23.62	228.16
e. Effect of expenses not deductible for tax purposes	628.07	303.07
Total Tax effect of Permanent Differences (a+b+c+d+e)	422.50	(5,750.95)
iv. Income Tax Expense as per Statement of Profit and Loss (ii+iii)	21,402.62	19,002.71

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

31.7 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, 2021	FOR THE YEAR ENDED MARCH 31, 2020
a) Net profit after tax attributable to equity shareholders (₹ Lakh)	61,957.75	79,350.98
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)	62.72	80.33

31.8 Capital and other commitments

- 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) **₹33,043.62 Lakh** (previous year ₹29,622.36 Lakh).
- 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. As of March 2021 at prevailing gas purchase rate and average daily quantities purchased daily gas purchase value is approximately ₹190.00 Lakh.

31.9 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 **₹35,486.98 Lakh** (previous year ₹28,066.23 Lakh), includes:

- Claims disputed by the Company relating to issues of applicability aggregating to **₹4,472.13 Lakh** (previous year ₹2,565.59 Lakh) as detailed below:

PARTICULARS	(₹ in Lakh)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
a) Excise Duty	1,018.51	1,589.08
b) Service Tax	839.13	128.69
c) Sales Tax / Input VAT credits	378.73	354.38
d) Income Tax	1,352.43	493.44
Total	3,588.80	2,565.59

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

- 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 **₹411.01 Lakh** (previous year ₹447.93 Lakh).
- iii) Third party/other claims arising from disputes relating to contracts aggregating to **₹0.63 Lakh** (previous year ₹1.67 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 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 has filed its Appeal before APTEL on 20th April 2020 during lockdown. The matter was heard by APTEL on 9th October 2020 and has been reserved for passing the judgement.

Total demand from November 2008 till March 2021 is **₹31,463.35 Lakh** (including **₹22,332.14 Lakh** covered in the case filed with APTEL and **₹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 **₹23.19 Lakh** (previous year ₹23.85 Lakh).
- vi) The last settlement on trade discount with the Oil Marketing Companies (OMCs) was done in June 2018. Thereafter, there was no written response from OMCs till July 2020 in spite of follow up by the Company. OMCs vide letters dated August 27, 2020 and October 05, 2020, have communicated that trade discount revision was not undertaken by OMC pending De Novo study, which OMC had entrusted to a third party. Post completion of such study, OMCs have communicated the revised trade discount they wish to make applicable to various geographies (Metro and other class of cities) as per the recommendation of the aforesaid study, without sharing the details of the report.

Subsequently de novo study report has been shared on 24th November 2020. As per letter No. L-16019/2/2019-GP-I dated July 31, 2019 issued by Ministry of Petroleum & Natural Gas (MOPNG) addressed to OMCs and GAIL, a consultative process was to be undertaken with City Gas Distribution (CGD) companies to finalize trade discount after completing de novo study. However, no consultation was held with the Company during or after De Novo Study.

The Company had replied to OMC vide letters dated September 04, 2020 and October 26, 2020, that any unilaterally determined high trade discount is not acceptable. In January 2021, Ministry of Petroleum & Natural Gas was appraised by many CGD companies in a joint virtual meeting. Pending consultation / negotiation, any additional liability cannot be quantified and continues to be considered as contingent liability.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

- 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 for meeting MWP target by March 2020 and reiterated host of factors beyond control of the Company causing a shortfall. Further, PNGRB called a Joint Progress Review Meeting on August 27, 2019 and post review revised catch up plan was submitted to PNGRB on November 15, 2019. As of 31st March 2020, the Company has achieved cumulative number of Domestic connections as per PNGRB MWP target. Post outbreak of COVID-19 the company had requested PNGRB in April 2020 to extend the timeline for achieving the MWP of Inch-Kms by six months up to 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 MWP timeline due to COVID-19 lockdown for various Geographical areas, where extension of 251 days for Raigad has been granted.

Recently, vide letter dated February 9, 2021 the company has appraised PNGRB with ground level challenges faced in Raigad and has requested for extension up to March 2022. The management is of the view that it will be able to achieve the inch km targets as per timelines submitted and that the penalty can be avoided. Accordingly, no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB at this stage.

- 31.10** Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are as follows:

SR. NO.	PARTICULARS	(₹ in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year:		
	a) Trade Payables.	1,797.15	1,767.15
	b) Payables for purchase of property, plant and equipment.	4,172.18	2,497.55
(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.	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

SR. NO.	PARTICULARS	(₹ in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(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.

31.11 Payments to Auditor (included in Miscellaneous Expenses under note 29).

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
a. For Audit (inclusive of taxes)	56.05	50.74
b. For Company Law matters	-	-
c. For Other Services	-	-
d. Reimbursement of expenses	0.23	1.16

31.12 CSR Expenditure:

- Total amount required to be spent by company for the year is **₹1,660.61 Lakh** (previous year ₹1,418.49 Lakh)
- Amount spent during the year on purposes other than construction / acquisition of assets is **₹1,121.68 Lakh** (previous year ₹859.48 Lakh) (Refer Note 29)
- Amount transferred to Unspent CSR Account **₹538.93 Lakh**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

31.13 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 23):

TYPE OF GOODS OR SERVICE	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Sale of Natural Gas (Including Excise Duty)	2,31,745.50	3,23,809.52
Sale of Pipes, Fittings and Other Materials	379.49	529.48
Other Operating Income	1,654.30	2,109.61
Total revenue from Contract with Customers	2,33,779.29	3,26,448.61

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.

CONTRACT BALANCES	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Trade Receivables (refer note 4)	12,752.94	6,845.33
Unbilled Revenue (refer note 12)	4,563.67	4,214.92
Contract Liabilities (refer note 22)	2,253.99	1,957.77

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 ₹835.35 Lakh (previous year ₹866.13 Lakh). No amount recognised as revenue out of performance obligations satisfied fully or partially in previous year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

PARTICULARS	(₹ in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Revenue as per Contracted Price	2,33,791.26	3,26,460.40
ECS Discount	11.97	11.79
Revenue from Contract with Customers (refer note 23)	2,33,779.29	3,26,448.61

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.

- 31.14** The Board of Directors, at its meeting held on May 24, 2021, has proposed a final dividend of ₹14.00 per equity share of face value ₹10.00 each for the financial year ended March 31, 2021. This is in addition to the interim dividend of ₹9.00 per equity share paid during the year. With this, the total dividend for the year is ₹23.00 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 ₹13,828.89 Lakh.
- 31.15** 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.
- 31.16** Events after the reporting period - The company has evaluated subsequent events from the balance sheet date through May 24, 2021, 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
FRN 324982E/E300003

Per Vikram Mehta
Partner
Membership No: 105938

Place: Mumbai
Date: May 24, 2021

For and on behalf of the Board of Directors of Mahanagar Gas Limited

Sanjib Datta
Managing Director
DIN: 07008785

S M Ranade
Chief Financial Officer
ACA No: 39230

Sanjay Shende
Deputy Managing Director
DIN: 09172642

Atul Prabhu
Company Secretary and Compliance officer
ACS No: 64051

Place: Mumbai
Date: May 24, 2021

ABBREVIATIONS

AMR	Automated Meter Reading
APM	Administered Pricing Mechanism
ARS	Archival Retrieval System
BCM	Billion Cubic Meters
BIS	Business Information System
C&P	Contracts & Procurement
CAGR	Compound Annual Growth Rate
CBG	Compressed Biogas
CGD	City Gas Distribution
CGS	City Gas Station
CHP	Combined Heat & Power
CNG	Compressed Natural Gas
CPMC	Corporate Project Monitoring Cell
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
CWIP	Capital Work in Progress
D&I	Diversity and Inclusion
D3D	Direct Three Dimensional
DDT	Defensive Driving Training
DGPS	Differential Global Positioning System
DISH	Directorate of Industrial Safety and Health
DRS	District Regulating Station
E&P	Exploration & Production
ERDMP	Emergency Response and Disaster Management Plan
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EV	Electric Vehicle
FLIR	Forward Looking InfraRed
GA	Geographical Area
GIS	Geographical Information System
GOI	Government of India
GOM	Government of Maharashtra
GTA	Gas Transmission Agreement
HDD	Horizontal Directional Drilling
HSE	Health, Safety and Environment
IBEF	India Brand Equity Foundation
ICC	Internal Complaint Committee
ICR	Intelligent Character Recognition
IEPF	Investor Education and Protection Fund
IGBT	Insulated Gate Bipolar Transistor
IMF	International Monetary Fund
ISO	International Organization for Standardization
IVMS	In-Vehicle Monitoring System
LCV	Light Commercial Vehicle
LPG	Liquefied Petroleum Gas

ABBREVIATIONS

LMC	Last Mile Connectivity
LNG	Liquefied Natural Gas
MARG	Mutual Aid Response Group
MCC	Master Control Centre
MDPE	Medium-Density Poly-Ethylene
MIDC	Maharashtra Industrial Development Corporation
MLC	Multi Layered Composite
MMBTU	Metric Million British Thermal Unit
MMR	Mumbai Metropolitan Region
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
MRU	Mobile Refuelling Unit
MSRDC	Maharashtra State Road Development Corporation Limited
MSRTC	Maharashtra State Road Transport Corporation
MWP	Minimum Work Program
NACH	National Automated Clearing House
NIPS	Network Intrusion Prevention System
O&M	Operations and Maintenance
OCR	Optical Character Recognition
OEM	Original Equipment Manufacturer
PE	Poly-Ethylene
PESO	Petroleum And Explosives Safety Organisation
PM	Particulate Matter
PNG	Piped Natural Gas
PNGRB	Petroleum and Natural Gas Regulatory Board
PPAC	Petroleum Planning & Analysis Cell
PPE	Personal Protective Equipment
PV	Photovoltaic
RLNG	Regasified Liquefied Natural Gas
RPD	Rotary Positive Displacement
RPT	Related Party Transaction
SCADA	Supervisory Control And Data Acquisition
SHG	Self-Help Group
SRM	Supplier Relationship Management
SMG	Strategic Management Group
STC	Safety & Technical Competency
STU	State Transport Undertaking
SV	Sectionalising Valves
VTS	Vehicle Tracking Systems
WAF	Web Application Firewall
WPWP	Work Plan and Work Progress



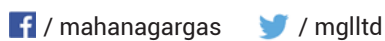
**MAHANAGAR
GAS**

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