



# Maharashtra Natural Gas Limited

(A Joint Venture of GAIL and BPCL)

"Dedicated for Cleaner & Greener Environment"



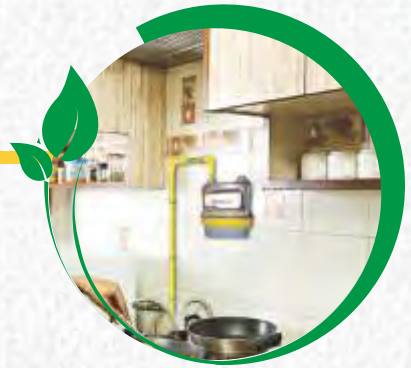
DESPITE CHALLENGING TIMES,  
OUR GRAPH OF GROWTH WENT UP...

**ANNUAL REPORT 2020-2021**





## SIGNIFICANT USERS





## COMPANY OVERVIEW



MNGL is a joint venture company, promoted by Maharashtra PSUs i.e. GAIL (India) Limited (GAIL) & Bharat Petroleum Corporation Ltd.(BPCL), with Govt. of Maharashtra through MIDC and Indraprastha Gas Ltd (IGL), Delhi as their equity partners.



## OUR HISTORY

Maharashtra Natural Gas Limited (MNGL) was incorporated in January 2006 to implement City Gas Distribution Project in Pune including Pimpri-Chinchwad for the supply of Compressed Natural Gas (CNG) to Automobiles and Piped Natural Gas (PNG) to Domestic, Commercial and Industrial consumers.



## OUR MISSION

MNGL aims to become fastest growing City Gas Distribution Company in India with continuous improvement in all facets of work.



## OUR OBJECTIVE

- To provide clean, environment friendly green fuel as an alternative to the conventional auto fuels like Petrol and Diesel and
- To provide safe, convenient and reliable piped natural gas to its customers in the domestic, commercial and industrial sectors.

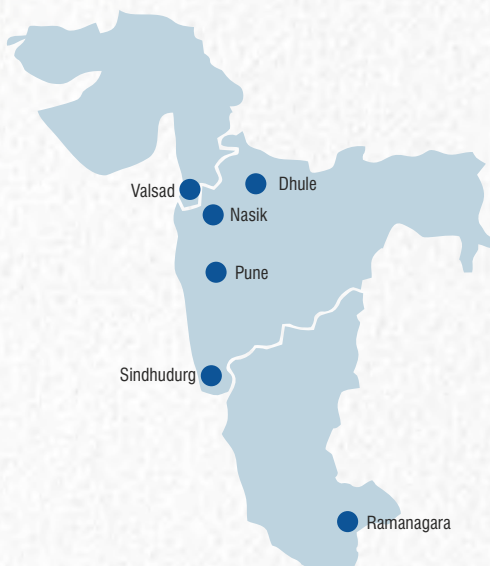


## OUR PRODUCTS

- **Compressed Natural Gas**
- **Piped Natural Gas:**
  - **Domestic** – for Households
  - **Commercial** – for Hotels & Malls
  - **Industrial** – for Industries



## LOCATIONS



- Pune and adjoining areas
- Nasik, Dhule & part of Valsad
- Sindhudurg
- Ramanagara in the state of Karnataka





## INDEX



### Content

### Page No.

Chairman Message	04
Board of Directors	07
Milestones	08
Financial Performance	09
CNG & PNG Volume Progress	10
AGM Notice	11
Director's Report	21
CAG Comments	56
Auditor's Report	58
Balance Sheet	74
Statement of Profit & Loss	76
Notes of Financial Statement	79





## CHAIRMAN'S MESSAGE

**Mr. Sanjay Kumar,**  
Chairman



**Despite all odds, our employees and contractors fearlessly ensured uninterrupted gas supply for transport, commercial & industrial as well as domestic customers, without compromising on safety.**

Dear Shareholders,

I hope that all of you are safe and in good health.

The year gone by has been quite challenging for all of us due to the COVID-19 pandemic. And despite all the pain and suffering, the unbreakable human spirit shines through- in the large and small acts of kindness, empathy, and compassion. The Covid-19 pandemic has had a significant impact on lives, livelihoods, and the business. With vaccinations and new therapies that modern science and the pharmaceutical industry have delivered at unmatched speed, humanity is not as helpless as when the pandemic first struck. However, we are a resilient and adaptable species. With discipline, focus and courage, we shall overcome.

Our business performance in the year 2020-21 is also a reflection of that innate resilience and adaptability. During the year, Your Company's Gross Turnover and Profit After Tax (PAT) stood at Rs.800 Crores and Rs.173 Crores, respectively. Our shareholders have been provided with steady long-term returns on their investments through a consistent dividend distribution. FY 2020-21 was a challenging year for the entire sector due to the COVID-19 pandemic's first and subsequent second wave. Despite the sluggish business environment, your Board of Directors maintained highest rate of dividend payout as 60% i.e. Rs.6 per share, which is same as that of previous year. Shareholders shall be proud to know that this is the seventh successive year for getting "NIL" report from the Comptroller & Auditor General of India which is a reflection of the accounting standards devoutly complied by your Company.

Despite all odds, our employees and contractors fearlessly ensured uninterrupted gas supply for transport, commercial & industrial as well as domestic customers, without

compromising on safety. On the operational front, this year your Company continued its drive to augment its infrastructure by adding 37 new CNG stations during the year thereby reaching total 132 CNG Stations that includes 87 in Pune and Pimpri Chinchwad including adjoining areas of Hinjewadi, Chakan & Talegaon, 32 in Nashik District, 06 in Sindhudurg district, 07 in Ramanagara in the state of Karnataka which led to total compression capacity of 15 lacs kg per day. Your company has crafted up YoY growth of around 10% in operating the number of vehicles on CNG as 2,87,649 by end of March 2021. Your company, in spite of pandemic situation during the year under review, has achieved more than 1.11 lakhs of additional domestic PNG connections during the F.Y. 2020-21 thereby reaching total cumulative PNG domestic connections to more than 3.85 Lakhs. Our total PNG commercial customer base has gone up to 377 and total PNG Industrial customer base has reached to 226.

Your Company currently owns and operates a network of around more than 1800 km of natural gas pipeline till the end of the FY 2020-21. Your Company successfully maintained uninterrupted and safe operations of its pipeline systems despite the pandemic situation, ensuring continuous availability of Natural Gas to its valued customers. Although your Company has witnessed some decline in gas demand during the initial months of the pandemic, the recovery in gas demand post-September has brought our Gas business back on track to pre-covid levels.

The government is giving thrust to natural gas to make India as a gas based economy. After completion of 10th round of bidding by PNGRB, 70% of country's population and 50% of its total area have been covered under CGD network. The government has taken various steps to promote CGD companies, ensuring



allocation of gas for domestic customers and for transportation requirements, giving it a public utility status and framing a model CGD policy. MNGL being a growing company in the CGD sector is geared to make optimum use of its resources for sustainable future growth. The Company has been reviewing its corporate strategy to align it with changing scenario. The operations of the Company are spreading over in Nasik and Sindhudurg in the state of Maharashtra and Ramanagara in the state of Karnataka besides Pune and adjoining areas in the state of Maharashtra.

Your Company has always accorded top-most priority to Safety related issues. It has made rigorous efforts to maintain a good safety culture and abide by the highest safety standards. The methods and efforts taken by your company have reduced the no. of accidents and improved HSE record. Your company was able to record 12.7 million-man hours of incident free during the year under review.

Your Company is also focused on customer needs and is continuously making efforts to improve its services. To MNGL, customer-centricity means keeping the customers aware right from registration to post conversion stage. As the pandemic spread, our priority was to safeguard the health and well-being of our employees in order to support our customers. MNGL has implemented standard SAP process of "Customer Interaction Centre" for the CRM department which has significantly reduced the turnaround time of the call agents enabling them to attend more customers in a day. MNGL has also embarked upon various digital initiatives which are expected to be rolled out in short time.

Your Company, being a strong believer of valuing its Human Recourse capital, prioritized the health and safety of its employees as well. The unforeseen situation made the HR to take quick and secure decisions in terms of day-to-day operation of the company and employees at large. Timely actions and strict adherence of preventive measures helped in arresting the virus spread in the offices. The HR department successfully accomplished the Salary Revision and the pay out along with disbursement of the arrears in the month of March -2021 before the closing of Financial Year. Further, the Company recognizes and appreciates the contribution of all its employees in its growth journey.

Your Company, as a responsible corporate citizen, has been taking various CSR activities with focus on health, education, empowerment of women & underprivileged and skill development. During FY 2020-21, your company has contributed its CSR funds through NGOs by undertaking various CSR activities like health check-up camps of Auto Rikshaw drivers Nasik, OPDs & Health camps at slum areas of Pune, community development programs for pregnant and lactating women, children and adolescents belonging to under privileged section of the society, skill development training programs for

youth and daily wages workers for employment generation, funding for Anesthesia machine with Autosampler at BSDT' Cancer Treatment Centre, vestibulator at Apang Kalyankari Sanstha for physio therapy for handicapped students, furniture items at Sai Seva School providing education to the children belonging to lower strata of the society etc. During COVID times, the company has distributed Relief material in the form of food, dry ration, hand sanitizers, etc. to the needy as well as the frontline workers, autorickshaw drivers, police personnel etc.

With all this, we believe our relative competitiveness will only get better through in the months ahead. As MNGL touches new heights, I would like to express my wholehearted gratitude towards our stakeholders, right from our esteemed Promoters GAIL & BPCL, shareholders IGL & MIDC, the communities we engage with, consumers we do business with, our regulators, our dedicated employees and each and every individual involved in MNGL's journey so far for their continued trust in the company. In addition, I want to thank all the Board members along with Shri R. P. Natekar, Shri S. Halder, Shri Santosh Sontakke, Shri Rajesh Pande and Shri Deepak Mukadam for their guidance and valuable contribution during their tenure as Board Members.

On behalf of the Board of Directors, I take this opportunity to thank Ministry of Petroleum and Natural Gas (MOPNG), Government of India, PNGRB, all departments of the Central and State governments, all the authorities and agencies of PMC, PCMC Cantonment Boards, Vendors, financial institutions, and other stakeholders for their continuous support and co-operation for our objective to expand clean and green environment.

Towards the end, I would like to express my sincere gratitude for your continuous belief in the company which gives it a strength to be a resilient enough to face all the challenges and also to achieve great heights in future.

Thank you

sd/-

**Sanjay Kumar**

Chairman





## BOARD OF DIRECTORS

Shri Sanjay Kumar  
Shri Deepak Sawant  
Shri Sanjay Sharma  
Shri Priyotosh Sharma  
Shri A. K. Jana  
Shri Amit Garg  
Smt. Bageshree Manthalkar



## BANKERS

State Bank of India  
HDFC Bank  
Axis Bank  
ICICI Bank  
Bank of Maharashtra  
Bank of Baroda



## STATUTORY AUDITORS

**M/s SUNSVG & ASSOCIATES**  
Chartered Accountants  
C-18, Yashashree Apartment,  
Opp. To Nirmal Samruddhi,  
Surbhi Mangal Karyalaya Lane,  
Taware Colony, Satara Road,  
Pune - 411 009



## COST AUDITORS

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



## SECRETARIAL AUDITOR

**M/s CS Rachana R. Kolte, PCS**  
C-403, Kapil Akhila,  
Pan Card Club Road,  
Baner, Pune - 411 045



## SHARE TRANSFER AGENT

**UTI Infrastructure Technology and Services Ltd.**  
Plot No.3, Sector 11, CBD Belapur,  
Navi Mumbai - 400614



## CHIEF FINANCIAL OFFICER

**Shri. Sarathy M. K.**



## COMPANY SECRETARY

**Ms. Shreya Prabhudesai**



## REGISTERED OFFICE

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







## BOARD OF DIRECTORS



**Shri Sanjay Kumar**  
Chairman



**Shri Deepak Sawant**  
Managing Director



**Shri Sanjay Sharma**  
Director (Commercial)



**Shri Priyotosh Sharma**  
Nominee Director - BPCL



**Shri A. K. Jana**  
Nominee Director - IGL



**Shri Amit Garg**  
Nominee Director - IGL



**Smt. Bageshree Manthalkar**  
Independent Director

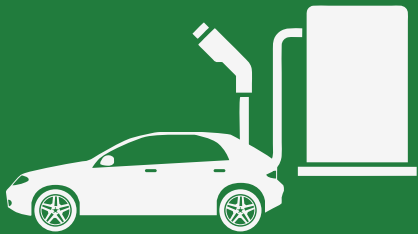




## MILESTONES

132

CNG STATIONS



1577

KMS OF  
MDPE PIPELINE

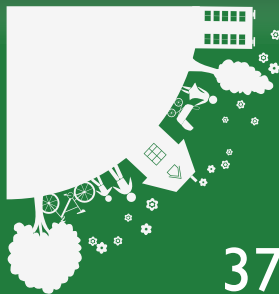
264

KMS OF STEEL PIPELINE



3,85,722

PNG DOMESTIC  
CONNECTIONS



377

PNG COMMERCIAL  
CUSTOMERS

226

PNG INDUSTRIAL  
CUSTOMERS



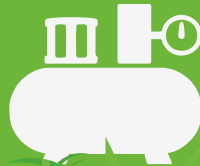
2,86,502

CNG VEHICLES



14,94,000

KG PER DAY GAS  
COMPRESSION CAPACITY



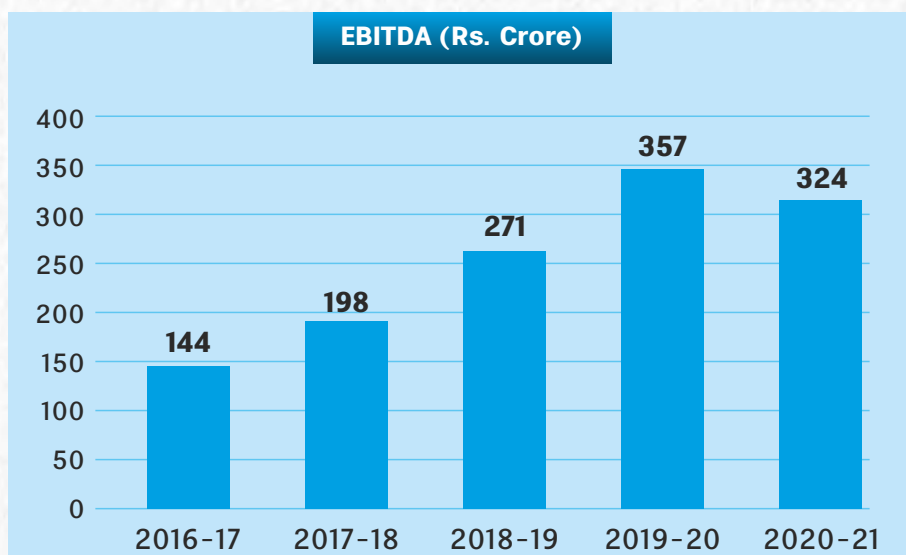
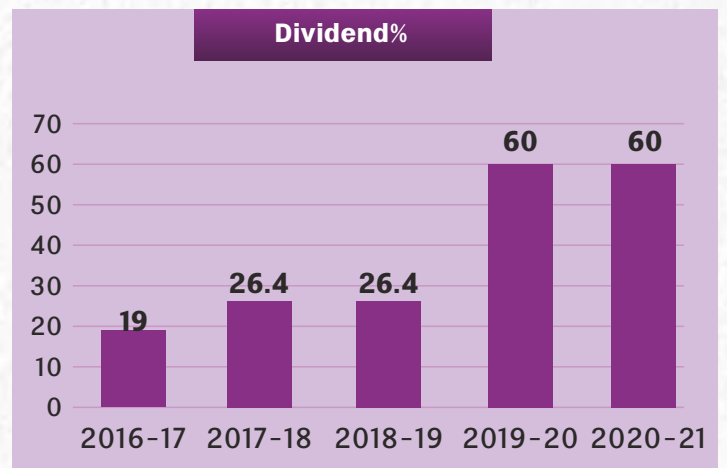
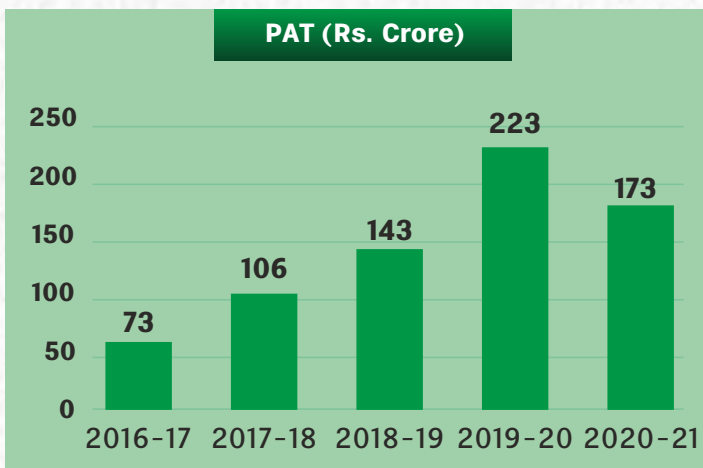
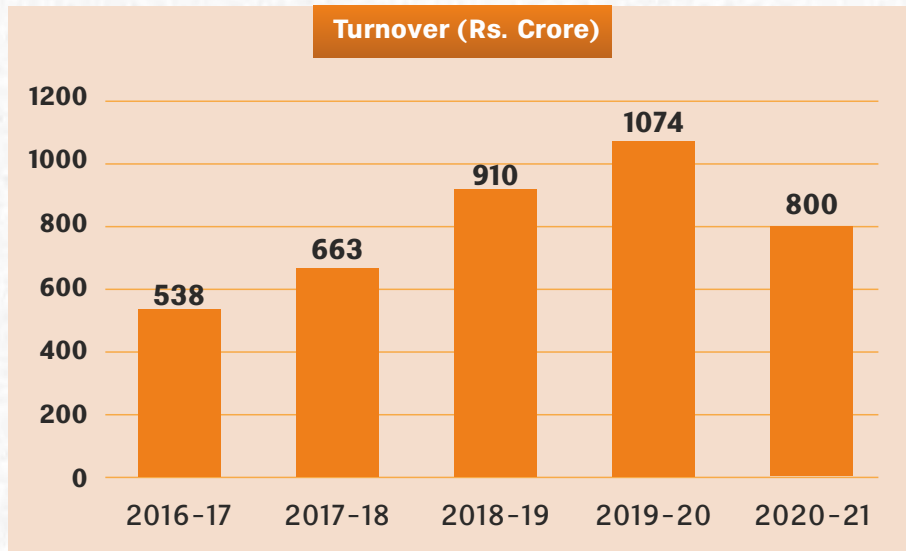
12.5

MILLION ACCIDENT  
FREE MAN HOURS



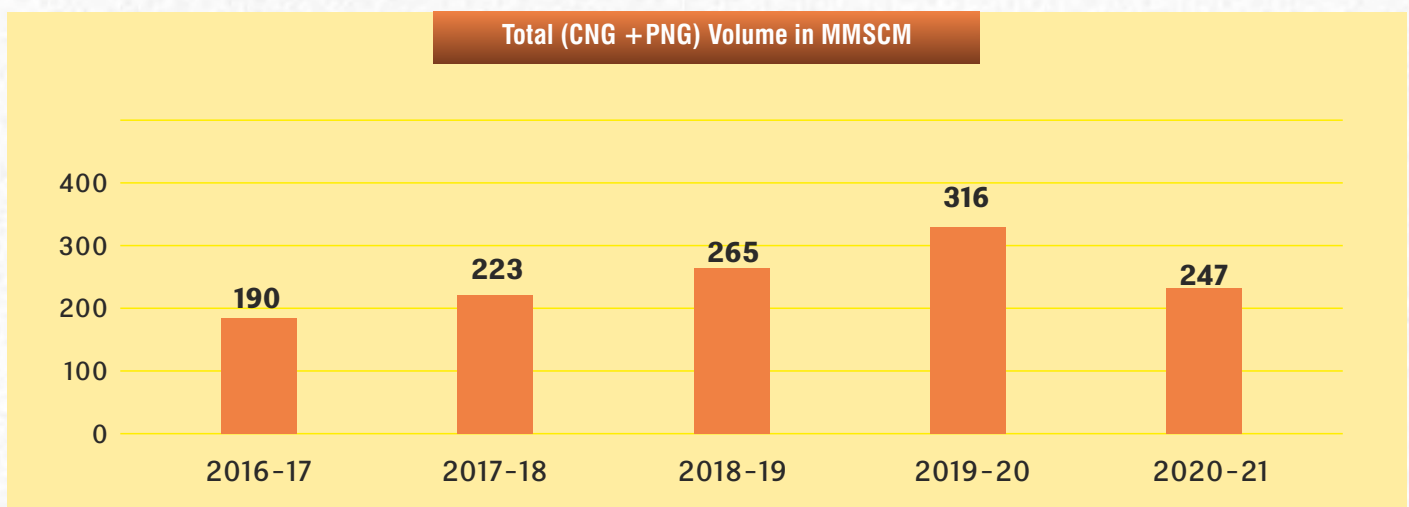
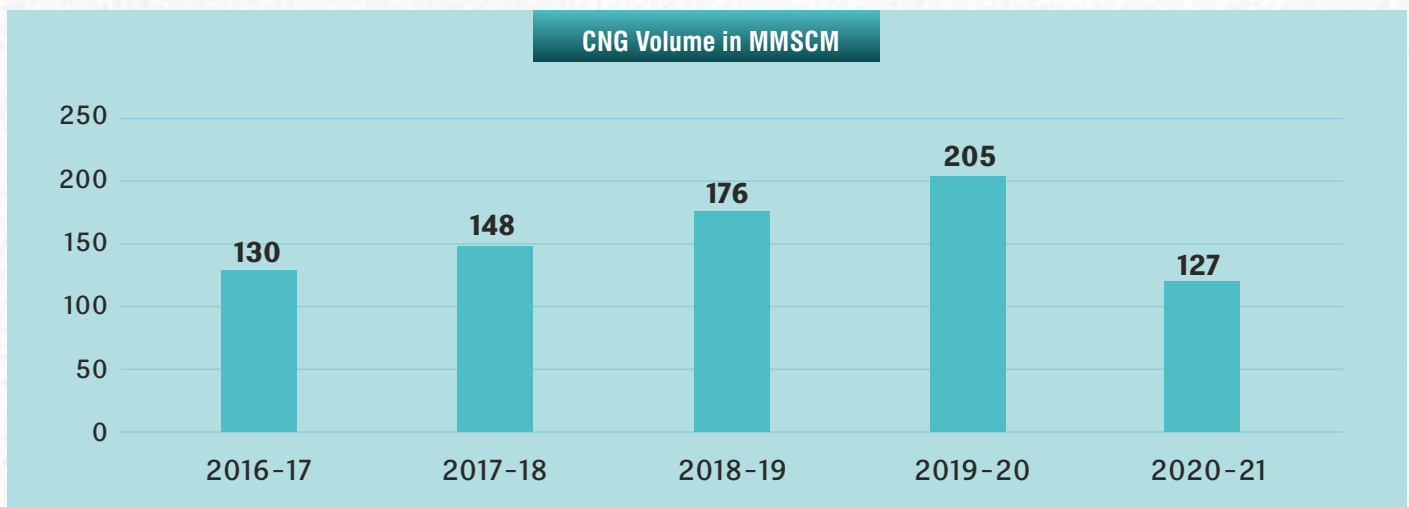
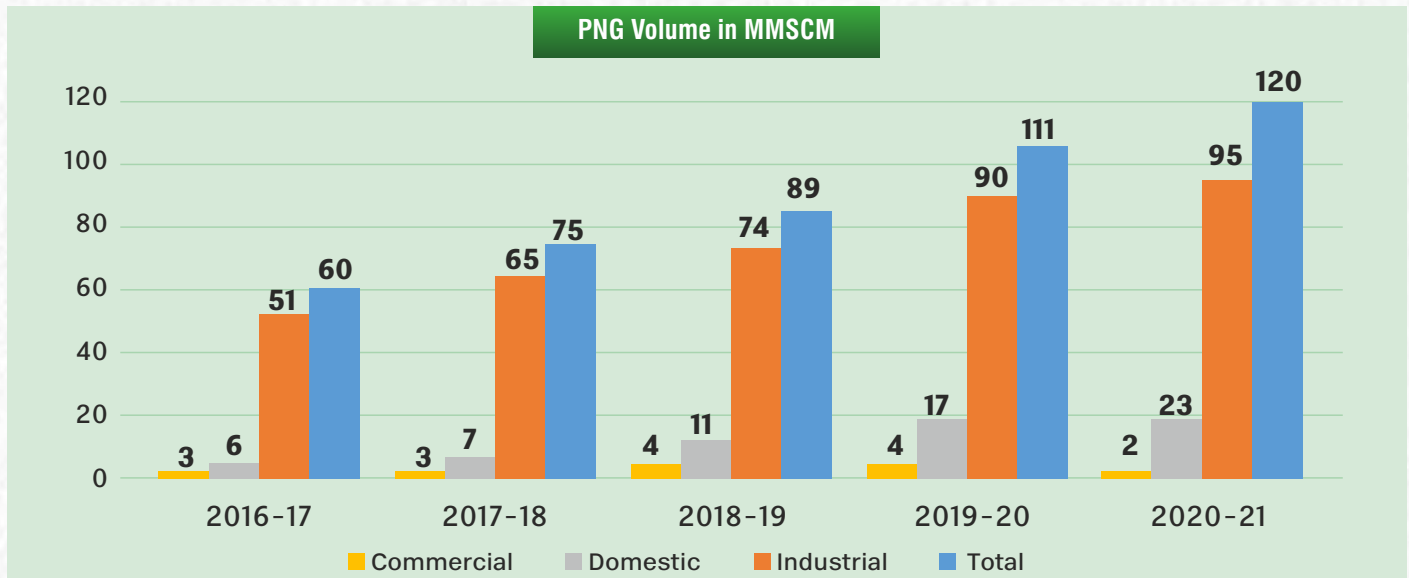


## FINANCIAL PERFORMANCE AT GLANCE





## CNG & PNG VOLUME PROGRESS





## NOTICE

**The shareholders of Maharashtra Natural Gas Limited are hereby given notice to attend the 15th Annual General Meeting to be held on Tuesday, 28<sup>th</sup> September, 2021 at 4.00 P.M. through Video Conference (VC) to transact the following business:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Director's Report, Independent Auditor's Report and the comments thereon of the Comptroller & Auditor General of India and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Audited Financial Statements for the financial year ended 31st March, 2021, Directors' Report, Independent Auditor's Report and the comments thereon of the Comptroller & Auditor General of India be and are hereby received, considered and adopted."

2. To declare final dividend @ 60% (Rs.6/-per equity share) on the paid-up equity share capital of the company (Rs.100 Crores) as on the date of declaration for the financial year ended 31<sup>st</sup> March, 2021 as recommended by the board and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT approval of the shareholders be and is hereby accorded for payment of final dividend @ 60% (i.e. Rs.6/- per equity share) on the paid-up equity share capital of the Company as on the date of declaration for the financial year ended on 31st March, 2021 as recommended by the Board."

3. To appoint a Director in place of Shri Amit Garg, who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act 2013 and Article 122 of the Company, Shri Amit Garg, Director (DIN :08515246), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re- appointed as the Director of the company liable to retire by rotation."

4. To authorize Board of Directors to fix the remuneration to the Statutory Auditors of the company appointed by Comptroller and Auditor General of India (CAG) in terms of Section 142 of the Companies Act, 2013 and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the requirement of section 142 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to decide and fix the remuneration of the Statutory

Auditors of the company as appointed by the Comptroller and Auditor General of India for the F.Y. 2021-22."

### SPECIAL BUSINESS:

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

5. Ratification of payment of Remuneration to Cost Auditor for the F.Y. 2020-21.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment, thereof, for the time being in force), the remuneration payable to the cost auditor(s) M/s. Dhananjay V. Joshi & Associates, Pune, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the F.Y. 2020-21 amounting to Rs.5,66,400/- including applicable taxes, be and is hereby ratified & confirmed."

6. To appoint Shri Deepak Sawant as Managing Director on the Board of MNGL

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the Articles of Association of the company, approval of the members be and is hereby accorded to the appointment of Shri Deepak Sawant (DIN: 07339381), as Managing Director of the Company on whole-time basis with effect from 6th April, 2021, on the terms and conditions including remuneration forwarded by GAIL (India) Limited vide office order no. 22/02/53/477/2021 dated 17.05.2021 with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may consider necessary and as may be agreed by Shri Deepak Sawant/ GAIL;

**RESOLVED FURTHER THAT** Company shall provide facilities to Shri Deepak Sawant approved by the Board for his smooth functioning as Managing Director, and reimburse such expenses are incurred by him in carrying out the responsibilities of Managing Director.

"RESOLVED FURTHER THAT Shri Deepak Sawant shall not be





liable to retire by rotation nor shall be reckoned for determining the number of Directors liable to retire by rotation, till the time he holds the office as Managing Director of the Company.”

7. To appoint Shri Sanjay Sharma as Director (Commercial) on the Board of MNGL

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the Articles of Association of the company, approval be and is hereby accorded, to the appointment of Shri Sanjay Sharma (DIN:09025971) as Director (Commercial) of the Company on whole-time basis with effect from 30th January, 2021 for 3 years on the terms and conditions of appointment including remuneration forwarded by Bharat Petroleum Corporation Ltd. vide its letter no.HRD.HQ2.3.DEPU.MNGL dated 8th January, 2021 and dated , with the liberty to the Board of Directors to alter and vary the terms and conditions, as the Board of Directors may consider necessary and as may be agreed to by Shri Sanjay Sharma/ BPCL.

“**RESOLVED FURTHER THAT** the Company shall provide facilities to Shri Sanjay Sharma, approved by Board for his smooth functioning as Director (Commercial) and reimburse such expenses as are incurred by him in carrying out the responsibilities of Director (Commercial).

“**RESOLVED FURTHER THAT** Shri Sanjay Sharma shall not be liable to retire by rotation nor shall be reckoned for determining the number of Directors liable to retire by rotation, till the time he holds the office as Director (Commercial) of the Company.”

8. To appoint Shri Priyotosh Sharma as Nominee Director from BPCL on the Board of MNGL

“**RESOLVED THAT** Shri Priyotosh Sharma (DIN: 08899227) who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 20th November, 2020 and who hold office until the date of Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 signifying his candidature for the office of Director, be and is hereby appointed as a Nominee Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

9. To appoint Smt. Bageshree Manthalakar as an Independent Director on the Board of MNGL

“**RESOLVED THAT** pursuant to the provisions of Sections 149,

152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment &Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act and the Articles of Association of the Company, as amended from time to time, Smt. Bageshree Manthalkar (DIN:07914288), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company with effect from 19th March, 2021 for 3 consecutive years upto 18th March, 2024.”

**By the order of Board of Directors  
For Maharashtra Natural Gas Limited**

Sd/-  
(Shreya Prabhudesai)  
Company Secretary

Date: 06.09.2021

Place: Pune





## NOTES

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs (MCA), through Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020 and Circular No.02/2021 dated 13th January, 2021 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed with physical presence of the Members at a common venue. The explanatory statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto. In terms of the said MCA Circulars, the 15th Annual General Meeting (AGM) of the Members is being held through video conferencing (VC). Hence, Members can attend and participate in the AGM through VC only. The detailed procedure for participating in the meeting through VC is available at the Company's website [www.mngl.in](http://www.mngl.in)
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by the Members will not be available for this meeting. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circular, Notice of AGM along with the Annual Report for the financial year 2020-21 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website [www.mngl.in](http://www.mngl.in)
4. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Members can join the meeting through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned on the website.
5. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 setting out the material facts in respect of special business is annexed herewith. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
6. Institutional / Corporate Members intending their authorized representative(s) to attend the Meeting through VC on their behalf are requested to send a certified copy of the Board Resolution to the Company Secretary by e-mail through its registered e-mail address at [shreya.prabhudesai@mngl.in](mailto:shreya.prabhudesai@mngl.in)
7. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 22<sup>nd</sup> September, 2021 to Tuesday, 28<sup>th</sup> September, 2021 (both days inclusive) to determine the entitlement of the Final Dividend @ 60% (Rs.6/- per equity share) if so, approved by the members of the company at the aforesaid AGM. Final dividend, after declaration at the AGM, will be paid within 30 days of the AGM to those eligible members whose name(s) appear:-
  - i. As member(s) holding shares in physical mode, in the Register of Members of the Company after giving effect to all valid and complete transfers, lodged with R&TA/ Company on or before 12th September, 2020; or
  - ii. As Beneficial Owner(s) holding shares in electronic mode, details as furnished by the National Security Depository Limited (NSDL) and Central Securities Depository Limited (CDSL) for the said purpose.
8. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholders for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of IEPF Authority.

Hence, the Company urges to all the shareholders to encash / claim their respective dividend during the prescribed period. Members may correspond with the RTA /Company to claim dividends, which remain unclaimed.
9. 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/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat 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 email to RTA. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher 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 email to RTA.

Members who have not yet registered their e-mail addresses or who want to change their e-mail addresses are requested to register or modify their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Sd/-  
(Shreya Prabhudesai)  
Company Secretary

Date: 06.09.2021  
Place: Pune

10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode during the AGM. Members may send their request for inspection by sending an email to [shreya.prabhudesai@mngl.in](mailto:shreya.prabhudesai@mngl.in).
11. Members desirous of seeking/ obtaining any information / clarifications concerning the accounts and operations of the Company or intending to raise any query are requested to write to the Company at least 10 days before the date of meeting mentioning their name demat account number/folio number, email id, mobile number at [mayuresh.ganu@mngl.in](mailto:mayuresh.ganu@mngl.in) and mark cc to [shreya.prabhudesai@mngl.in](mailto:shreya.prabhudesai@mngl.in) The same will be replied by the Company suitably. However, it is requested to raise the queries precisely and in short at the time of meeting to enable us to answer the same.
12. Details of the person who can be contacted for any grievances connected with VC:

Shri Sachin Kulkarni, Dy. Manager

Mail ID: [sachin.kulkarni@mngl.in](mailto:sachin.kulkarni@mngl.in)

Phone No. 020- 2561 1031

Shri Santosh Jore, Officer,

Mail ID: [santosh@mngl.in](mailto:santosh@mngl.in)

Phone No. 020- 2561 1036

Important Communication to Members:

As per the provisions of the Companies Act, 2013 read with the Companies Management and Administration) Rules, 2014, Company may give notice etc. through electronic mode i.e. by e-mail as a text or as an attachment to e-mail or as a notification providing electronic link. Your company has hosted the notice on website of the company along with Annual Report at [www.mngl.in](http://www.mngl.in)





## ANNEXURE TO THE NOTICE

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

#### ITEM NO.4

As per section 142 of the Companies Act 2013, the remuneration payable to the Auditors shall be fixed in the General Meeting of the Company or in such manner as may be determined therein. Further, as per section 177 of Companies Act, 2013, Audit committee will recommend the appointment and fixation of remuneration of Statutory Auditors to the Board.

In exercise of the powers conferred by section 139 of the Companies Act 2013, the Comptroller and Auditor General of India (CAG) appoints Statutory Auditor (s) of the Company. Accordingly, the communication from CAG regarding appointment of M/s. SUNSVG & Associates as Statutory Auditors for F.Y. 2021-22 has been received and to be noted by the Board. After the authorization by the members in the present AGM, Board of Directors shall fix the remuneration of Statutory Auditors on the recommendation of the Audit Committee. The remuneration is commensurate with the quantum of work required to be undertaken by the Statutory Auditors, amendment in prevailing Laws & Regulations and in line with audit fees of peer companies.

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### ITEM NO.5

The Board on the recommendation of the Audit Committee, has approved the appointment of M/s. Dhananjay V. Joshi & Associates, Pune, Cost Accountants, as a Cost Auditor of the Company, selected through a competitive bidding, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 and fixed the remuneration of Rs.5,66,400 (Rupees Five Lacs Sixty Six Thousand Four Hundred only) including all taxes as per the guidelines issued by Institute of Cost Accountants of India, for the financial year ended on March 31, 2021, subject to the ratification of the Members at the Annual General Meeting.

Pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 the remuneration of Cost Auditor shall be recommended by the Audit Committee, approved by the Board of Directors and to be ratified subsequently by the members. Accordingly, it is proposed to obtain the consent of the members to

ratify the remuneration to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### ITEM NO.6

As per the terms of the Articles of Association of the Company Shri Deepak Sawant was nominated by GAIL (India) Limited (GAIL) as Managing Director w.e.f. 6th April, 2021. Accordingly, the Board of Directors appointed Shri Deepak Sawant as Managing Director on the terms & conditions of appointment including remuneration forwarded by GAIL letter ref. no.22/02/53/477/2021 dated 17.05.2021 on the Board of MNGL in its Board Meeting held on 21st May, 2021.

The salary details of Shri Deepak Sawant shall be as under:

Pay Scale: 1,20,000 – 2,80,000/-

PARTICULARS	Amt. in Rs.
Basic Pay per month	2,20,070/-
Variable/DA (@ 18.4% w.e.f 01.04.2020 per month)	40,492.88/-
HRA @ 24% of Basic Pay per month	52,816.80/-
Perquisite and Allowances	85,024.50/-

**VARIABLE DA:** VDA shown is subject to change every quarter. Annual increment @ 3% of 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 is "Good" or above.

**HOUSING:** he was availing Company Lease Accommodation

**COMPANY CAR & TELEPHONE:** Necessary provision for transport and telephone may be made by MNGL or vehicle / Conveyance maintenance charges @ Rs. 17,887/- are to be reimbursed monthly (at the rate notified by GAIL on half yearly basis) along with the wages of the Driver @ Rs. 23,540/-

**OTHER BENEFITS OUTSIDE "CAFETERIA APPROACH":** Shri Deepak Sawant is entitled to reimbursement of Cost of Spectacles





and Medical reimbursement for self and dependent family members, briefcase, newspaper reimbursement, leave encashment etc., as per GAIL rules which will be borne by MNGL. In addition, he is entitled for incentive under performance Related Pay (PRP) as per GAIL rules.

**SUPERANNUATION BENEFITS:** Superannuation benefits are extended to Shri Deepak Sawant within the ceiling of 30% of Basic Pay & VDA comprising of Provident Fund (PF), Gratuity, Post-retirement Medical Scheme (ORMS) and Pension.

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 1% (one percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

Shri Deepak Sawant satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Managing Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Deepak Sawant under Section 190 of the Act.

Shri Deepak Sawant has attended all Board meetings as Managing Director held after his appointment as Managing Director in financial year 2020-21. His brief resume, the nature of his expertise in specific functional areas, names of companies in which he hold directorship, committee memberships/ chairmanships, his shareholding etc., are separately annexed hereto pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Other than Shri Deepak Sawant and his relatives, none of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### ITEM NO.7

As per the terms of the Articles of Association of the Company Shri Sanjay Sharma was nominated by BPCL as Director (Commercial) w.e.f. 30th January, 2021. Accordingly, the Board of Directors appointed Shri Sanjay Sharma as Director (Commercial) on the terms & conditions of appointment as mentioned in the letter vide ref. no. HRD.HQ2.3.DEPU.MNGL dated 14.01.2021 including remuneration forwarded by BPCL letter ref. no. HRD.C&B.1.CON.DEPUT dated 16.06.2021 on the Board of MNGL in its Board Meeting held on 21st May, 2021.

The salary details of Shri Sanjay Sharma shall be as under:

PARTICULARS	Amt. in Rs.
Basic Pay per month	2,04,940/-
DA @20.9% of Basic Pay + SI	42,832/-
HRA @24% of Basic pay + SI (applicable to Pune)	49,186/-
*Perquisites and other allowances	3,30,479/-

\* The above amount is applicable by parent company i.e. BPCL

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 1% (one percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

Shri Sanjay Sharma satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director (Commercial) in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Sanjay Sharma under Section 190 of the Act.

Shri Sanjay Sharma has attended all Board meetings as Director (Commercial) held after his appointment as Director (Commercial) in financial year 2020-21. His brief resume, the nature of his expertise in specific functional areas, names of companies in which he hold directorship, committee memberships/ chairmanships, his shareholding etc., are separately annexed hereto pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Other than Shri Sanjay Sharma and his relatives, none of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### ITEM NO.8

The Board, at its meeting held on November 20, 2020, appointed Mr. Priyotosh Sharma (DIN: 08899227), as an Additional Director of the Company with effect from November 20, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Article 142 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Priyotosh Sharma (DIN: 08899227), will hold office up to





the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Bharat Petroleum Corp. Ltd. (Shareholder of MNGL) proposing the candidature of Mr. Priyotosh Sharma for the office of Director.

The Company has received from Mr. Priyotosh Sharma (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

On he became Director on the Board of MNGL, Five Board Meetings were held till 31st March, 2021 and he has attended all these meetings. His brief resume containing his age, qualifications, expertise etc. is annexed herewith pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Other than Shri Priyotosh Sharma and his relatives, none of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### **ITEM NO.9**

The Board, at its meeting held on March 19, 2021, appointed Smt. Bageshree Manthalkar (DIN: 07914288), as an Additional Director of the Company with effect from March 19, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Article 142 of the Articles of Association of the Company.

Smt. Bageshree Manthalkar, non-executive director of the Company, have given a declaration to the Board that she meet the criteria of independence as provided under Section 149(6) of the Act. Pursuant to the Nomination and Remuneration Committee recommendation and in the opinion of the Board, the director fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and she is independent of the management.

The Board of Directors are of the opinion that Smt. Bageshree Manthalkar possess relevant expertise and experience and is eligible for the position of Independent Director of the Company and fulfil the conditions specified by the Companies Act, 2013. The Board considers that her association as Independent Director will be beneficial and in the best interest of the Company. The brief resume, the nature of expertise in specific functional areas, shareholding etc., are separately annexed hereto.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the director as Independent Director is now being placed before the Members for their approval. No Board Meetings were held till 31st March, 2021 after her appointment on the Board of MNGL. Her brief resume containing her age, qualifications, expertise etc. is annexed herewith pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Other than Smt. Bageshree Manthalkar and her relatives, none of the Directors, Key Managerial Personnel and/ or her relatives, is/ are interested or concerned, financially or otherwise in the resolution, except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.





### Brief resume of Directors seeking appointment at the 15th Annual General Meeting as per SS-2 on General Meetings

Name	Shri Deepak Sawant Managing Director	Shri Sanjay Sharma Director (Commercial)	Shri Priyotosh Sharma Nominee Director	Smt. Bageshree Manthalkar Independent Director
Date of Birth	11.02.1963	04.01.1968	01.01.1964	18.10.1970
Date of Appointment	06.04.2021	30.01.2021	20.11.2020	19.03.2021
Date of Re-appointment	-	-	-	-
Qualification	BE (Mechanical)	B.A. (Hons.) in Economics & Postgraduate in Personnel Mgt. & Industrial Relations	B.Sc. Engg. (Mechanical), Graduate Diploma in Materials Management, A certificate program in Executive Leadership from Cornell University, New York, USA, An Advance Leadership Program from Shanghai Economic Management College, China	B. Com, L.L.B
Expertise in specific functional Areas	<p>Shri Deepak Sawant has rich experience of over 28 years in Gas business which includes overseas assignments in Myanmar for exploration and production of Natural Gas. He started his career with GAIL (India) Limited, a Maharatna PSU under Ministry of Petroleum &amp; Natural Gas, Govt. of India in the year 1991. During his tenure, he has been involved in various Projects including LPG recovery plant and LPG transportation pipelines. He has wide experience in City Gas Distribution. He was with Mahanagar Gas Ltd. (MGL), Mumbai from the year 1997-2000 which was the initial built-up period of the company. He has worked in PNGRB (The Oil and Gas Regulator) from 2007-2013 and was one of the team members for</p>	<p>Shri Sanjay Sharma has over 29 years of rich experience in the Oil and Gas sector, spanning across a spectrum of diverse functions such as LPG Operations, Retail Operations, LPG Marketing, Retail Marketing, etc. besides working in different departments and States of India. Shri Sharma started his career with Bharat Petroleum Corporation Ltd. (BPCL), a Maharatna PSU under Ministry of Petroleum &amp; Natural Gas, Govt. of India in 1991. His tenure in various capacities during the last three decades witnessed major events at BPCL and included successful implementation of projects like Pradhan Mantri Ujjwala Yojana (PMUY), Pradhan Mantri Gareeb Kalyan Yojana</p>	<p>He is having wide experience of 34 years in Oil and Gas Industry. He joined Bharat Petroleum Corporation Ltd. (BPCL) in the year 1987 and have worked in various capacities in BPCL, out of which spent 18 years in Gas Business. He also had wide ranging experience in handling Gas Business including setting up of CGD Networks, LNG sourcing from International suppliers, international negotiations, spot tie ups, industrial as well as retail marketing of gas etc. He successfully shouldered the responsibility of Head of Gas Business of BPCL from Nov. 2019 till Jan. 2021. He then moved as Head of the Central Procurement Organization of BPCL marketing since Feb 2021.</p>	<p>She is having a wide experience in social work as she is an active social worker for last 3 decades. she has been primarily working in the field of academic betterment of weaker sections of society, through NGOs such as Swa-Roop-Wardhini and Surajya Sarvangin Vikas Prakalpa. Her focus area was betterment of women from low earning groups and children in slums with academic spark. She is also an elected Senate Member of Savitribai Phule Pune University, Pune, Maharashtra from Graduate Constituency. She is also an experienced retailer from her petrochemical retail product's business.</p>



	<p>making of CGD and NG Pipeline regulations. He has been with GAIL Gas Limited and handling 6 Geographical Areas (GAs) directly including Bengaluru and 6 Geographical Areas with Joint Venture partners. He was also a pioneer in 9th and 10th bidding round which could get GAIL Gas total 11 new Geographical Areas directly and 2 new GA through JV. He was holding the position of Director in various JVs of GAIL Gas including Haridwar Natural Gas, Goa Natural Gas and Kerala GAIL Gas. Prior to his appointment as Managing Director in MNGL, he has successfully shouldered the responsibility of full time Director as Deputy Managing Director of MGL.</p>	<p>(PMGKY) and various flagship schemes of Govt. of India. Prior to his appointment as Director (Commercial), MNGL, he was working as a State Head (LPG) – Odisha &amp; Jharkhand.</p>		
Directorship held in other companies	-	-	-	BOW Horizon Pvt. Ltd.
Membership/ Chairmanships of Statutory Committees of Board of Directors	Audit Committee - Member Nomination Remuneration Committee - Member & CSR Committee - Member	Audit Committee – Member Nomination & Remuneration Committee – Member & CSR Committee - Member	Nomination & Remuneration Committee – Member	Audit Committee – Chairperson Nomination & Remuneration Committee – Chairperson & CSR Committee – Chairperson
No. of shares held in MNGL	-	-	-	-
Remuneration last drawn (incl. sitting fees)	As per terms & conditions mentioned in the Resolution	As per terms & conditions mentioned in the Resolution	Sitting Fees Only	Sitting Fees Only
Remuneration proposed	As per terms & conditions mentioned in the Resolution	As per terms & conditions mentioned in the Resolution	Sitting Fees Only	Sitting Fees Only





## DIVIDEND PRESENTATION 2019-20

AT GAIL



AT BPCL



AT IGL





## DIRECTORS' REPORT

### The Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2021 together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

### 1. FINANCIAL REVIEW

During the FY 2020-21, despite the pandemic situation, your Company has managed to achieve turnover of Rs.799.90 Crores, as against Rs.1074.45 Crores in the previous financial year.

The Profit after tax in FY 2020-21 is Rs. 172.98 Crores as against Rs.223.33 Crores in FY 2019-20 and EBIDTA of the Company is Rs.324.24 Crores as against Rs.357.44 Crores of the F.Y.2019-20.

The Financial results for the year ended March 31, 2021 are summarized below:

Particulars	For the Year	
	2020-21 (Rs. in Crores)	2019-20 (Rs. in Crores)
<b>Sales</b>	<b>799.90</b>	<b>1,074.45</b>
Other Income	0.72	2.29
Profit before Depreciation, Finance Cost and Tax	324.24	357.44
Finance Cost	23.26	24.47
Depreciation & Amortization of Expenses	64.24	50.99
Profit before Tax	236.74	281.98
Provision for Tax including deferred tax	63.76	58.65
<b>Profit after Tax</b>	<b>172.98</b>	<b>223.33</b>
Profit brought forward from previous years	612.48	420.97
Profit available for appropriation	785.46	644.30
<b>APPROPRIATIONS</b>		
Re-measurement of Post Employee Benefits	-	-
Dividend Paid during the year	60.00	26.40
Corporate Dividend Tax	-	5.43
Transferred to General Reserve/carried forward	725.46	612.48

Net worth per share has increased from Rs. 71.25 in 2019-20 to Rs.82.55 in FY 2020-21 signifying sound return on investment coupled with sizeable amount of profit ploughed back into the business.

### 2. APPROPRIATIONS

#### DIVIDEND

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

The Board of Directors of your Company has recommended a final dividend of Rs.6.00 per Equity Share (i.e.60% of the paid-up equity share capital of Rs.100 Crores) for the year which is 35% of PAT amounting to Rs.60.00 Crores.

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





### 3. TRANSFER TO RESERVES

The Company proposes to transfer Rs.112.98 Crores to the Reserves, thereby enhancing the total reserves up to Rs.725.46 Crores.

### 4. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans nor granted any guarantees nor made any investments covered under the provisions of section 186 of the Companies Act, 2013.

### 5. SHARE CAPITAL AND FINANCIAL CLOSURE OF MAHARASHTRA NATURAL GAS LIMITED

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

### 6. COMPANY PERFORMANCE

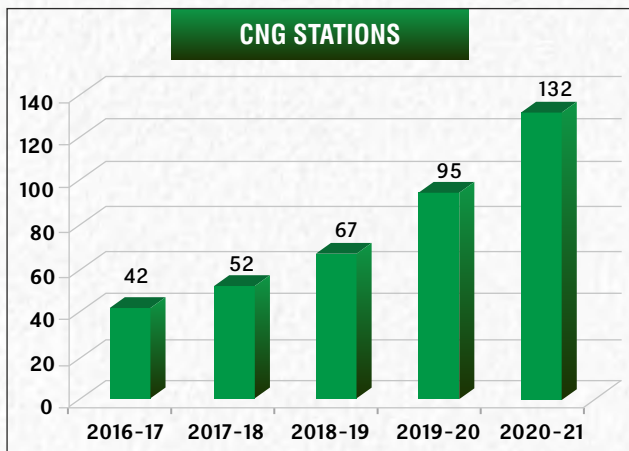
During the year, the Company recorded sales as under:

(Figures in MMSCM)

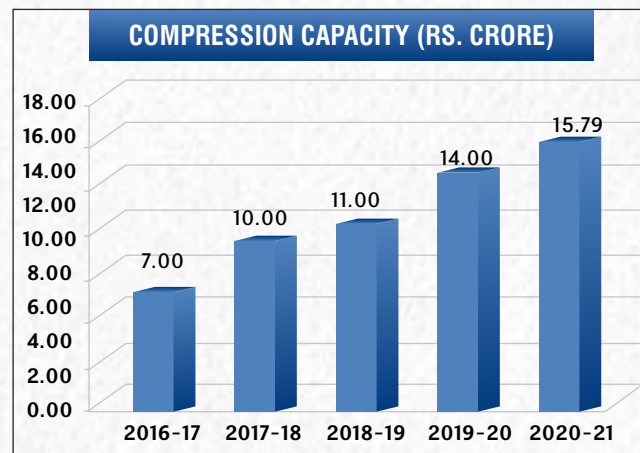
Particulars	For the Year Financial Year		
	2020-21	2019-20	% Growth (YoY)
Compressed Natural Gas (CNG)	126.80	205.00	(38)
Piped Natural Gas (PNG)	119.80	111.20	8
<b>Total</b>	<b>246.60</b>	<b>316.20</b>	<b>(22)</b>
Average Sales per day (MMSCD)	0.676	0.866	(21)

#### a. Compressed Natural Gas Business (CNG)

During FY 2020-21, the business of CNG has grown substantially. MNGL has achieved its new height in strengthening its CNG distribution infrastructure by escalating the number of CNG stations to 132 (includes 87 in Pune and Pimpri Chinchwad including adjoining areas of Hinjewadi, Chakan & Talegaon, 32 in Nashik District, 06 in Sindhudurg district, 07 in Ramanagara district) as against 95 CNG stations till previous year with a YoY growth of around 39% by end of FY 2020-21. Thus, 37 nos. of new CNG stations were added during the year. In addition to above, 2 Daughter Booster stations were converted to Online on account of pipeline connectivity being established to these stations. The cumulative compression capacity has increased to 86550 SCMH during 2020-21 from previous year's cumulative compression capacity of 80550 SCMH with an increase of around 7.4%.



Your company has crafted up YoY growth of around 10% in



operating the number of vehicles on CNG as 2,87,649 by end of March 2021. MNGL is currently refueling 2,536 Buses, 2,09,930 Four wheelers and 74,708 Three wheelers in addition to 26 no. of few vehicles from the Municipal Garbage Department, contract carriage minibuses, school buses, delivery vans and the Postal Department vehicles.

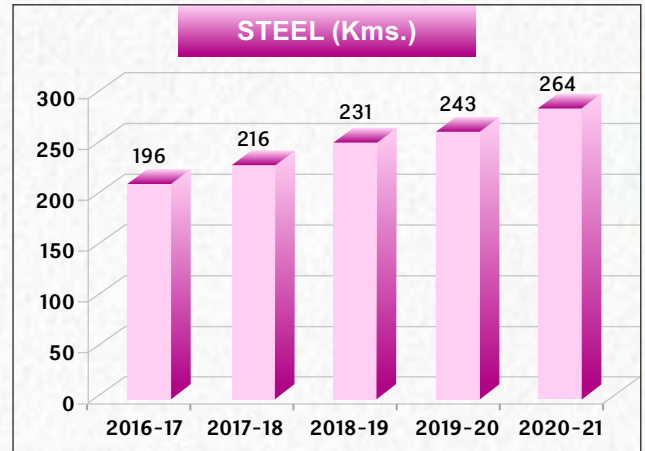
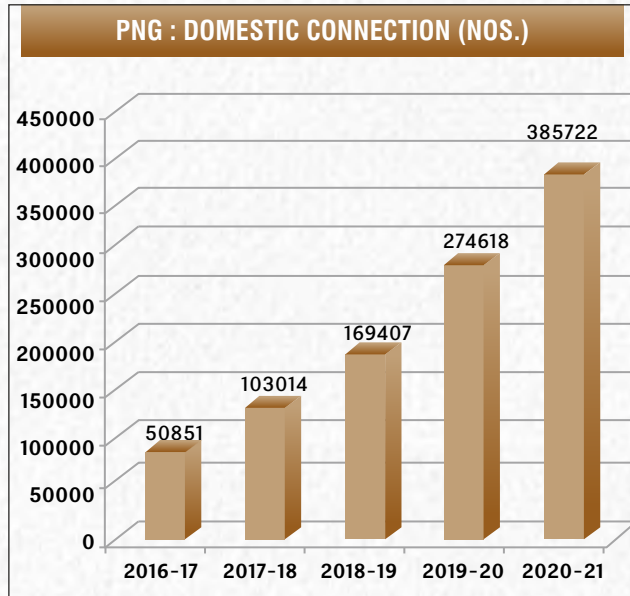
#### b. PNG

##### i. Domestic Connections

Your company, in spite of pandemic situation during the year under review, has managed to achieve 1,11,104 no. of additional domestic PNG connections during the F.Y. 2020-21 thereby reaching total cumulative PNG domestic connections to 3,85,722. It shows almost around 45.46% growth over the previous year's cumulative total domestic PNG connections of 2,74,618. This mark could be achieved with the help of joint efforts of execution team along with all the departments of the Company.



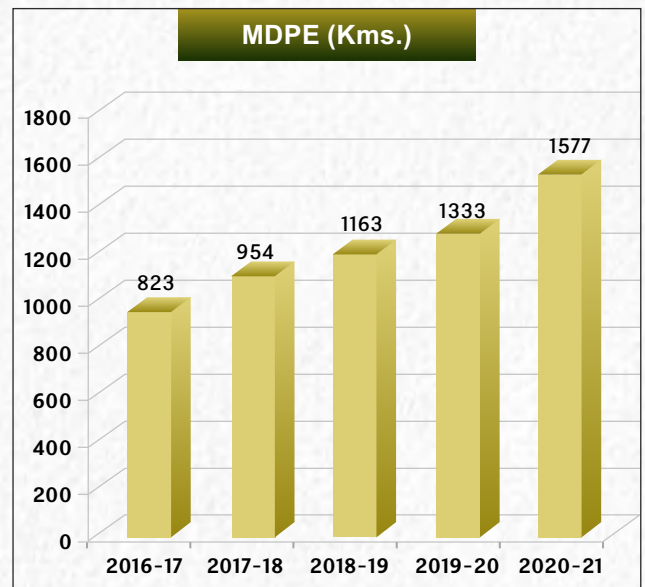
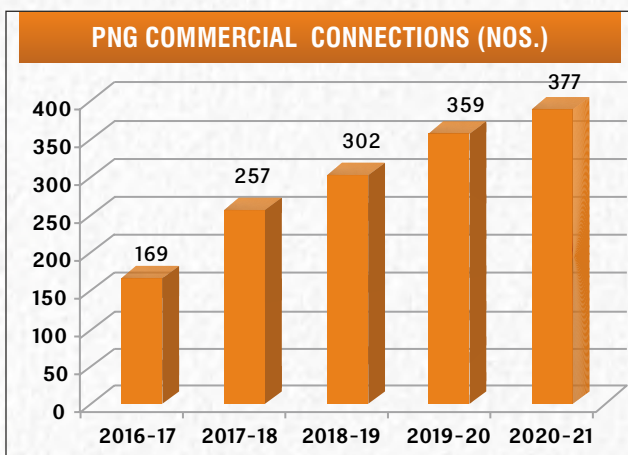




network from 243 KM upto FY 2019-20 to 264 KM till F.Y. 2020-21 and its MDPE network from 1333 KM in FY 2019-20 to 1577 KM in F.Y. 2020-21 showcasing steady expansion of pipeline infrastructure.

### ii. Commercial Connections:

Commercial customers of your company has increased from 359 during F.Y. 2019-20 to 377 in F.Y. 2020-21. Company has successfully extended the PNG network and has provided the Natural Gas to elite customers in Pune city such as Mahindra & Mahindra Limited (Industrial canteen) along with other famous food outlets such as Haldiram and other food chains like Pizza Hut, MacDonald's, and KFC's. Thereby your company helping



the environment to avoid deforestation by freeing the usage of cylinders for rural areas under Ujjwala Scheme where wood is still the source of fire for cooking food.

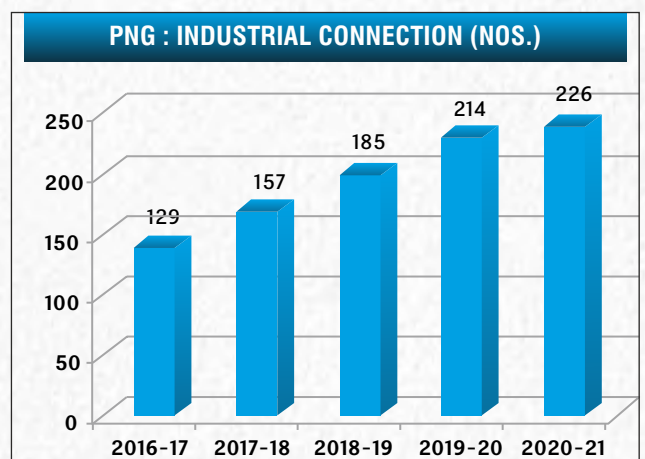
Company has also entered into agreements with AIGP IT Park project with 48 numbers of proposed outlets. Few more additional outlets of existing food chain of Wadeshwar, Nisarg etc. will be given PNG connectivity in new areas.

Hospitality sector was most affected segment due to COVID -19 Pandemic situation in India. Almost 32% of existing Hotels and Restaurants on PNG in Pune are yet to open. However, your company has managed to add new 32 customers and sustain sale near about past fiscal year.

Your company has increased its infrastructure of steel pipeline

### iii. Industrial Connections:

Industrial segment is another most important segment after CNG in terms of volume & growth in overall product portfolio of





MNGL. During F.Y. 2020-21 your company has maintained focus on industrial segment considering important revenue generating segment. Also, during COVID-19 pandemic it was observed that Industrial Segment is most important & sustainable segment irrespective of market scenarios.

Your company has increased the number of Industrial connections cumulating to 226 in the FY 2020-21 as against 214 in the FY 2019-20 registering a growth of 6% during the year under review.

For F.Y. 2021-22, MNGL have kept target of adding 50 more industries & adding daily volume of 45000 SCMD.

## 7. FUTURE OUTLOOK

Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth.

The country is working towards increasing the share of natural gas in the energy mix from the current level of 6.3 per cent to around 15 per cent by 2030. As a result, consumption of gas is expected to increase about 2.5 times. A major requirement for increasing natural gas demand is the development of a nationwide pipeline transmission network. The CGD sector in India is currently working towards developing infrastructure and streamlining rules and regulations to ensure that the services reach consumers in an efficient manner.

India's Gas Industry is currently working towards developing pipeline infrastructure. The development of a national gas grid is crucial for India, as it will support the government's plan of establishing a gas-based economy. The pipeline grid will not only help in improving access to clean energy but will also facilitate the development of city gas projects.

Many sectors to gain Carbon Neutrality and to act towards rising air pollution and climate change have prodded the government to commit to lower carbon emissions. Natural Gas, being an eco-friendly fuel, government is pressing efforts to increase the share of natural gas, in the country's energy basket.

Going forward, the outlook for the sector remains optimistic due to favourable government policies and the expansion of CGD entities. The CNG segment is expected to grow exponentially in the coming years. Digitalisation is expected to play a major role in transforming the operations of CGD entities through the introduction of smart meters and mobile applications that reduce the need for manual readings.

Looking ahead, the government has laid out an ambitious vision to bring secure, affordable, and sustainable energy to all its citizens with its mediums like introducing Biofuels i.e., Compressed Biogas under SATAT Initiative with a vision to establish 5000 CBG Plants by 2023.

The PNGRB's recent regulatory measures such as the issuance of force majeure guidelines, relaxation in LNG marketing and distribution regulations, and creation of a gas

exchange framework have paved the way for future sector growth. With the launch of the eleventh bidding round, the Ministry of Petroleum and Natural Gas is expecting to attract additional investments needed to achieve growth targets and meet the escalating demand for natural gas.

## 8. REGULATORY DEVELOPMENTS

### Regulatory Regime

Petroleum and Natural Gas Regulatory Board (PNGRB), under the Ministry of Petroleum and Natural Gas mandates the regulatory functions to govern the day-to-day business operations of CGD Industry and protect the interests of consumers by fostering fair trade and competition amongst the entities.

The key regulatory developments that have taken place in the past one year include the introduction of new open access norms, release of new guidelines for determining the transportation rates for CGD Networks, introduction of a new unifies tariff policy, and setting up of the Indian Gas Exchange.

### Key Regulatory Developments:

- In Financial Year 2020-21, the PNGRB (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2008 has been amended twice on 30.06.2020 and 15.09.2020. As per the amended regulation dated 30.06.2020, if the CGS is established outside GA of the authorized entity, then the pipeline connecting from CGS to authorized CGD Network, is considered to be part of CGD Network. However, that pipeline shall not be used to supply natural gas. In the latter amendment, the specifications and standards of the materials, pipes, valves to be complied by the CGD Entities has been revised.
- The PNGRB (Levy of Fee and Other Charges) Regulations, 2007 has been amended on 28.09.2020. As per the amendment, the annual other charges for a Gas Exchange with Clearing Corporation, Gas Exchange without Clearing Corporation and charges for clearing corporation has been added w.r.t PNGRB (Gas Exchange) Regulations, 2020.
- The PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 has been amended on 30.09.2020. As per the amendment, the security deposit amount is revised for a normal meter and a smart meter for a domestic PNG Connection and amount required to change from normal to smart meter with inclusion of the properties of both meters.
- The PNGRB (Determining Capacity of City or Local Natural Gas Distribution Network) Regulations, 2015 has been amended on 30.09.2020. As per the amendment, PNGRB advises its authorized CGD Entities to publish the capacity of CGD Network as per the PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2011 on company's website.
- On 30.09.2020, PNGRB published the regulation Guiding





Principles for Declaring City or Local Natural Gas Distribution Networks as Common Carrier or Contract Carrier. This regulation constitute the guiding principles to be followed by the Board for declaring the CGD network as a common carrier or contract carrier.

- On 23.11.2020, PNGRB amended two regulations namely, Access Code for City or Local Natural Gas Distribution Networks and Determination of Transportation Rate for CGD and Transportation Rate for CNG. As per the amended regulations, PNGRB has clarified that the existing CNG stations of franchises/ dealers, including the CNG/liquid-to-CNG (LCNG) stations of oil marketing companies (OMC), will not be considered as third-party shippers for the purpose of allowing access. While any additional capacity expansion at the existing premises will also not be considered as third party, setting up of CNG compressors at new liquid fuel pumps will be considered third party. Thus, this regulation significantly reduces the risk of third-party competition and margin contraction for them.

#### • Gas Exchange

In July 2020, the PNGRB issued draft regulations for operating gas exchanges in the country. The draft laid out in detail the regulations regarding the setting up and operation of a gas exchange.

Later, in September 2020, the PNGRB released the final regulations for the establishment and operation of the gas exchange or clearing corporation. These new regulations have paved the way for setting up of the natural gas exchange to facilitate trade of physical contracts and is expected to be an extremely crucial step in developing the gas market. The regulations have also empowered the PNGRB to issue licences to operate an exchange, as well as investigate and cancel licences.

#### • LNG Distribution Regulations

In a major development, the PNGRB has issued a notice that reinforces the government's commitment towards the reduction of fuel emissions by increasing the share of liquefied natural gas (LNG) in the country's energy mix and promoting the use of cleaner fuels. The notice widens the scope of parties that are now eligible to engage in the marketing or distribution of LNG, other than certain authorized entities that already have permission for developing a city or local gas distribution network. It states that any entity can set up an LNG station in any GA or anywhere else, even if it is not the authorized entity for that GA.

### 9. TOWARDS CUSTOMER DELIGHT

Customer-centricity is a way of life at MNGL, and the same is entrenched across all our business operations. To MNGL, customer-centricity means keeping the customers aware right from registration to post conversion stage. The objective is to connect, communicate and care for all customers on continuous basis. MNGL is focusing on customer centric approach by registering our presence on social media.

During this year as more consumers working from home and routines were disrupted on account of challenges posed by the pandemic, MNGL ensured uninterrupted supply of gas.

As the pandemic spread, our priority was to safeguard the health and well-being of our employees in order to support our customers.

Existing working days of call center were increased from 6 to 7 days a week, thereby extending unrelenting support to our valued customers.

MNGL has implemented standard SAP process of "Customer Interaction Centre" for the CRM department which has significantly reduced the turnaround time of the call agents enabling them to attend to more customers in a day. MNGL has also embarked upon various digital initiatives which are expected to be rolled out in short time.

Important communication was sent to our esteemed customers with regard to their safety by requesting them to download the "Arogya Setu App" on their mobile phones.

MNGL is working towards making its customers net savvy by creating awareness amongst them for selecting digital mode of payment to pay bills from the comfort of their homes, thereby ensuring their safety during the pandemic.

In its ongoing pursuit to ensure prompt redressal of customer complaints, MNGL is strongly focusing on achieving automation of all processes.

### 10. INFORMATION TECHNOLOGY

Your Company has witnessed smooth operation of SAP R/3 ERP system as well as IT systems during the year. With the data center being collocated to a state-of-the-art data centre, maximum uptime of IT Infrastructure, systems and services could be achieved without any loss-time of operation.

Major technical upgrade of SAP Systems, followed by functional upgrades could be achieved in 2020-21. As a result of these upgrade new geographical areas of the company could seamlessly be integrated with the main SAP System. All the processes pertaining to GST regime has now been fully mapped. Bank reconciliation have been customized and automated in SAP. Various Governance and Risk mitigation has been simultaneously implemented for the SAP System and is being continuously augmented.

Your company has implemented standard SAP process of "Customer Interaction Centre" for the CRM department which has significantly reduced the turnaround time of the call agents enabling them to attend to more customers in a day. MNGL has also embarked upon various digital initiatives which are expected to be rolled in a short time.

We are pleased to inform you that in the COVID era the IT department could enable the work from home in a secured manner for most of the employees in the shortest possible time. Your company is fully sensitive to the continuous cyber threats and are continuously making efforts to put up various layers of security.





## 11. HUMAN RESOURCES

Amidst the Covid Pandemic situation the Human Resources of Your company had come up more strongly in fighting the life-threatening disease. The unforeseen situation made the HR to take quick and secure decisions in terms of day-to-day operation of the company and employees at large. Timely actions and strict adherence of preventive measures helped in arresting the virus spread in the offices. Employees who got infected were also taken care by HR by providing prompt medical facility and follow-up of such employees was been continuously monitored. Family members of infected employees were also looked after. The initiative to fight against the pandemic was not limited to the company but, also went ahead in helping the Police officials by distributing Hand Sanitizers and Face Masks for performing their duties safely.

Frequent sanitization of all offices, compulsory usage of face mask, controlled entry of visitors, promoted Virtual Meetings for avoiding gathering of people and Work from Home without effecting the business continuity was executed flawlessly. Going a step ahead online virtual one week Yoga Session & bicycle for employees of all GAs were given for employee wellbeing contributing to healthy lifestyle required during the pandemic time to build employee morale and to release negative energy.

Employee engagement and motivation was equally addressed through E Magazine, which was launched during the pandemic. The E-Magazine, covered knowledge sharing Article by employees, Recipes, Art works and Drawings, Poetry thereby bring out the hidden talent and creativity of employees and their family members.

The Human Resource without losing its focus also managed to accomplish its various tasks such as Talent Acquisition through Virtual Interviews recruiting a quality talent from the market across various grades and functions. The HR department successfully accomplished the Salary Revision and the pay out along with the arrears was disbursed in the month of March -2021 before the closing of Financial Year. A Place that fosters productivity, co-worker cohesivity, health and wellbeing to provide the same your company shifted to new spacious office at Banner location in Pune.

Adhering strictly to the various restriction and protocols laid down by the Government from time to time the Human Resource endeavored to maintain the Synergy of Work and celebrations through events such as Independence Day, Celebration on completing 100 CNG Stations, Diwali, Women's Day, Independence & Republic Day, friendly cricket match with IGL & MGL. To promote sports in MNGL and their family members your company has taken membership of Petroleum Sports Promotion Board (PSPB). In its first PSPB online Shatranj Tournament a good amount of employees & their family members participated enthusiastically.

## 12.. HEALTH, SAFETY AND ENVIRONMENT (HSE)

"Safety" at MNGL is one of the core values and hence is given

topmost priority. A well-defined safety management system is in place comprising of HSE Policy and Safety Management System (SMS). SMS is comprising of Safety Aspects right from the design stage to Construction, Commissioning, Operation and Maintenance, SOPs, Safety Leadership and Culture building. All the accidents including High Potential ones are studied and shared with Employees and Stakeholders for Learnings, corrective Actions and Preventive Actions. MNGL is in Process of Digitalization of Safety Processes namely – Work Permit System and Safety Training. In line with company's HSE Policy, MNGL has undergone important external statutory safety audits including ERDMP and T4S at all its Four GA's for adhering to PNGRB requirements. Internal Safety Audit comprising of multi-disciplinary team carried out ISA of all the CNG Stations to inculcate safety in its CNG operations. Periodically surprise safety Audits to check the SOP implementation of Correct Filling is also done to avoid Mishaps.

Safety and Technical Competency (STC) training of fillers, compressor operators, supervisors is undertaken once in a year to bolster safety at CNG operations. In PNG Sector stress has been given to Work at Height (WAH) training and live gas firefighting training through IFSDMS, Vadodara. The safety awareness of customers including PNG sites, industrial and commercial is undertaken through mobile training van. PNG and CNG Pamphlets are distributed, and radio jingles are aired to increase public awareness. A total of 175 training to 2000 manpower was achieved during the financial year. Due to rapid increase in urban improvement works daily excavations around the city gas pipeline have increased. On an average 175 excavations sites are daily monitored to avoid Third Party Damages. 250 JCB operators digging for various other utilities are given safety briefing to avoid accidental damage of MNGL laid Pipeline. These methods and efforts have reduced the no. of accidents and improved HSE record. Your company was able to record 12.7 million-man hours of incident free period.

Mock drills including offsite mock drills was conducted to bolster the emergency response through the 8 emergency teams strategically located across the GA's. "No STC, NO work" is been implemented by the PNG sites to avoid Accidents during Last mile Connectivity. First Aid and Firefighting training including evacuation drill was organized during National Safety Week, 2021 to prepare corporate employees for facing any untoward emergency. Safety Briefings post incidents are given to all the concerned persons including contractual workers to learn from the incidents. A safety Culture of understanding and atmosphere of learning is being created. Your company is active member of National Safety Council and British Safety Council.

Hazard identification and risk assessment is taught to each and every field employee to reduce any unsafe act. HAZOP – QRA and onsite emergency plan of all the CNG stations are prepared to comply with statutory requirement and to increase emergency preparedness. Management of Change at Sites are being monitored and Non Routine Operations are undertaken



## SAFETY TRAINING PROGRAMME





## RANGOLI COMPETITION AT MNGL





in presence of multi-disciplinary team comprising of Projects, F&S and O& M departments. State of the Art Master control rooms at Shivajinagar is in the process of implementation. This will help in better control and mitigation of emergency in short time. Overall safety record of company has improved despite adding huge amount of infrastructure and new GA's.

### 13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As corporate organization, MNGL is always a step ahead to take responsibility for welfare and sustainable development of community at large. MNGL have been doing philanthropic activities from many years, until CSR law came into force. In April 2014, the company did its CSR activities in the field of Skill Development, Health, Community Development etc. Since then MNGL is actively working for the welfare of society for creating a better future in the domain of Education, Health, Skill development etc. The Corporate Social Responsibility Policy developed during 2014-15 is already in place and same is displayed on the website of the Company as required under section 135 of Companies Act, 2013. Through CSR, MNGL is reaching to underprivileged and marginalized section of the society.

As per CSR policy, there are seven thrust areas of CSR:



In the FY 2020-2021, MNGL has implemented CSR projects in the field of Health, Education, Community Development, environment etc. During COVID-19 times also, MNGL has immensely contributed for the society by distributing mask, sanitizers, immunity kits to COVID warriors who were working 24x7. MNGL implements its CSR activities through implementation partner or through contribution for funding of equipment to govt hospital, school, special students schools or institutions etc.

#### Here is the list of CSR activities done by MNGL in FY 2020-2021:

During the year, from Feb and March, our country suffered from the worst pandemic ever. The whole world was fighting against COVID-19, impacting more than hundred countries with millions of individuals. There was lockdown imposed to help curing for the spread of deadly disease due to which activities, community gatherings, schools, intuitions etc. got closed down.

As a responsible organization, MNGL is always a step ahead in taking care of its society and environment as a whole. Considering the same, MNGL under it CSR activities contributed Rs 2cr to PM Cares Fund, distributed sanitizers, mask to COVID-19 warriors like auto rickshaw drivers, police officials, local administration, traffic police etc. who were working 24 x 7 to save our country. According to AYUSH Ministry and ICMR, a Tulsi, giloy and ashwagandha are advised to boost immunity and are useful to avoid upper respiratory tract infection. Hence as a immunity booster MNGL distributed immunity kits, made up to these medicinal herbs, to auto rickshaw drivers, unions and all our COVID-19 warriors. MNGL also distributed food packets to migrants traveling from Pune to different stations through Shramik special train.

#### 1. Education:

India is a country with billions of people, but less than a half are be able to read and write. With increasing level of poverty, majority of the children specially girls are not able to go to school or gets dropped out. In future, these children get engaged in different kind of addiction like alcohol, drugs, gaming etc. In slum areas, majority of the population doesn't even know how to read and write and have never went to school. There is lack of proper nutrition in diet, due to which there are cases of malnutrition among children and new borns.



Total beneficiaries impacted: 1000 +

Due to COVID-19 situation, the schools have been closed down, considering the current situation, MNGL implemented Health care and Education programme for Adolescent students of communities of Pune with an objective to create awareness about topics related to adolescence and bring positive change in their behavior through **STEP UP FOUNDATION** as an implementation partner. Step up foundation is an organization dedicated to work towards educating adolescents about their health. The program aims at developing rational attitude towards sensitive like sexuality, gender, peer pressures, removing the habit of addiction and abuse etc, Whereas the NGO has also submitted nutrition supplements and sanitary napkins among adolescent population.





## 2. HEALTH:

MNGL is proactively addressing the issue of health, by conducting health camps & OPDs for the people residing in slum areas of Kothrud, Karvenagar, Warje, Paud Road and Sinhagad Road under '**Arogyavardhan**' project implemented by **Seva Arogya Foundation**. So that people staying at marginalized areas are not deprived of basic needs. Anemia checkup camps followed by follow ups camps, weekly OPDs, medicine distribution are being done for the beneficiaries. Many women have got impacted the health camps as their anemia has come down to normal.



**Beneficiaries impacted 30,000+**

MNGL has expanded its GA to Nashik. So this year, MNGL has conducted health checkup camps for Auto Rickshaw drivers at Nashik, through **ZHEP Bahuddeshiya Samajik Vikas Sanstha** so that the beneficiaries would not be deprived of basic health care. All the health checkups were conducted like ECG, Blood Sugar, Hemoglobin, physical consultation, etc. Total beneficiaries were 5000.



## 3. Community Development:

Community Development is one the important aspect in the development of society. It is observed that, in slums there is lack of financial wellbeing, health issues, education issue etc. Overall development including education, cultural development, heal this being taken care by **Surajya Sarvangin Vikas Prakalp**, **Swanand Jankalyan Pratishthan** and **Tapasya** at different location of Pune respectively as implementing partner.

**Surajya Sarvangin Vikas Prakalp** Conducts 'Abhyas warg' (daily study center) for students residing in slum areas near Yerawada. Along with study centers, cultural and moral development of the students are also taken care of. Under CSR activities of MNGL, they conducts personality development classes, science exhibition, tutorial classes, activity classes for the students staying at slum areas.

**Swanand Jankalyan Pratishthan** works in the field of education, health, women empowerment etc. in slums of Pune city particularly in Sinhagad, Warje & Kothrud area. The aim is an overall development of children and residents living in slum area. Presently 30 'Samruddhi Varg' (Cultural development centres) for the children belonging to age group of 3yrs to 12yrs are regularly being conducted on Singhad Road and Kothrud area.

Due to COVID-situation, they did not close the centers, instead conducted classes online. This year along with Bal Samruddhi Varg and Kishor Darpan, they started two new activities of Smart Abhyasika and practical learning activity book. Total number of beneficiaries -

- **Children of Age group 3 to 12 - 1096**
- **Youths of Age group 12 to 19 - 150**
- **Smart Abhyasika Age group 6 to 15 – 750**
- **Practical Learning Activity Book Age group 6 to 12 – 3000**



**Children's participation in the competition**





Tapasya has been working in the space of policy implementation related to health, education in Maharashtra since 2017. They conduct capacity building and have helplines platforms, supporting eligible families in achieving the same. Under CSR activity of MNGL, they conducted three programs in Sinhagad Road, Pune namely Project Shiksha Ki Aur, Project Aai and Project Asha, which were teaching students with basic writing and learning skills of mathematics and English, supporting pregnant mothers with health benefits through counseling and providing iron supplements and making beneficiaries aware of the basic government policies related to health, education, skill development, etc.

#### 4. Skill Development:

India is one of the nations in the world where more than 62% of the population belong to working age group (15-59 years), and more than 54% of the total population is 25 years of age. Skills and knowledge development are the driving forces behind the financial growth and community development of any country. Skill building is a powerful tool to empower individuals and improve their social acceptance. Considering the same, MNGL has taken initiative of skill development activities through **Suryadutta Education Foundation** and **Ved Vasudev Prathisthan**.

The **Suryadatta Education Foundation**, SEF, is a charitable trust and offers various vocational courses like Travel & Tourism, Hotel Management, Hydrocarbons, Media & Mass Communication, Interior Designing, Fashion & Jewellery Design, Event Management etc. The foundation also has a CSR domain, under which some of the courses such as fashion designing, Gas plumbing, plastering etc. are provided free of cost to underprivileged section of the society.



Under CSR activities of MNGL, Suryadutta conducted skill development training for the youth population of Nashik, Pune, Sindhudurg, Dhule and Ramanagara.

**Ved Vasudev Prathisthan** is a registered trust which runs a residential program for the overall development of blind students belonging to underprivileged section of the society by providing vocational trainings and educational support. Under CSR activities of MNGL, they are conducting skill development activities for 10 household domestic women and men, in katraj area, Pune. The beneficiaries are making cosmetic products such as soaps, shampoos, consumables such dhoop stick, agarbatti, Fertilizers like bio compost, jeevamrut and Creative items such as Diwali Diya/ Ganpati idol/ Art items etc from the cow dung.



**Vananchal Samruddhi Abhiyan Foundation**, known as VASA is a non-profit organization in Nashik working for the rights of tribal community by making them aware of the basic rights and policies and building their capacities on the same. The NGO is working on the following basic things for tribal people like Providing employment to the unemployed youths by doing Gram Rojgar, Identification of forest-based resources and establishing linkages of such kendras with local haat bazar and Awareness about Community Forest Rights in communities living in near the forest lands

#### 5. Contribution for funding of Equipment:

**Bharatiya Sanskriti Darshan Trust (BSDT)** : Contributed for purchasing anesthesia machine with auto sampler to the institution. Bharatiya Sanskriti Darshan Trust (BSDT) is a public charitable trust, Till date, institution have treated more than 12,000 cancer patients suffering from various types of cancer at various stages with surgery, chemotherapy, radiotherapy along with complimentary Ayurvedic treatment.



Anesthesia Machine with Multispora Monitor

Auto sampler



**Sassoon Hospital:** Contributed for purchase of surgical gloves to Sassoon Hospital. It is a Government Hospital which provides free and low-cost treatment to underprivileged patients.

**The Society for The Welfare of The Differently Abled Persons (Physically Handicapped), Education and Research Centre** is the first institution established in 1956, with an aim to rehabilitate the orthopedically challenged Children of India. All Children at SWPH & RC are given educational and pre-vocational training to develop their inter and intra personal skills. The institute provides primary schooling up to 7<sup>th</sup> standard within the campus and students of Class 8<sup>th</sup> to 10<sup>th</sup> are sent to normal schools. The institute accommodates 175 boys and 75 girls in the campus. Under CSR activities, MNGL has contributed for the funding of vestibulator to the institution which will help in the physiotherapy sessions of the special students.

**Bharatiya Samaj Seva Kendra** offers care and protection to vulnerable orphan, and destitute children. The main goal is to provide these children permanent, stable and secure homes. Under CSR activities, MNGL has contributed a vehicle for transportation, so that they don't face any hurdle while taking small children, infants to the hospitals and other places.

**Sai Seva** is a special students' school, with 25 special students staying in the campus. The school lacks basic amenities and infrastructure like cupboards, washing machine, chairs, benches etc. MNGL has contributed benches, cupboards, speakers, computers etc to the school.

#### 14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

#### 15. PARTICULARS OF EMPLOYEES

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

#### 16. DIRECTORS RESPONSIBILITY STATEMENT:

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

- A. In the preparation of Annual Accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed;
- B. The Directors had selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the

end of the financial year and of the profit of the Company for the year under review.

- C. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities; and
- D. The Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2021 on a going concern basis.
- E. The Directors have laid down internal financial control 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.

#### 17. DIRECTORS

As per the nomination received from IGL, the appointment of Shri A. K. Jana as Nominee Director w.e.f. 1<sup>st</sup> September, 2020 on the Board of MNGL in place of the Nominee Director of IGL Shri Ashim Batra, was approved by the shareholders at 14th AGM held on 18<sup>th</sup> September, 2020. Shri R. P. Natekar, then Nominee Director & Chairman on the Board of MNGL, who was nominee of BPCL, has resigned on 19<sup>th</sup> September, 2020. Thereafter, as per the nomination received from GAIL, Shri Sanjay Kumar, Nominee Director nominated by GAIL on the Board of MNGL has taken charge of Chairman w.e.f. 21<sup>st</sup> September, 2020. On receipt of nomination from BPCL, Shri Priyotosh Sharma has been appointed as an Additional Director on the Board of MNGL at 86<sup>th</sup> Board Meeting held on 20<sup>th</sup> November, 2020 and in the ensuing 15<sup>th</sup> Annual General Meeting he will be regularized as Nominee Director on approval of Shareholders.

Shri Santosh Sontakke, then Director (Commercial) on the Board of MNGL has resigned on 29<sup>th</sup> January, 2021 on completion of his tenure and on receipt of nomination from BPCL, Shri Sanjay Sharma has been appointed as Director (Commercial) w.e.f. 30<sup>th</sup> January, 2021 by the Board at 87<sup>th</sup> Board Meeting held on 29<sup>th</sup> January, 2021 subject to shareholders approval at this ensuing 15<sup>th</sup> Annual General Meeting.

On 19<sup>th</sup> March, 2021, Smt. Bageshree Manthalkar was appointed as an Independent Woman Director on the Board of MNGL at 90<sup>th</sup> Board Meeting held on 19th March, 2021 subject to shareholder's approval at this ensuing 15<sup>th</sup> Annual General Meeting. The 2<sup>nd</sup> term of Shri Rajesh Pande & Shri Deepak Mukadam as an Independent Directors on the Board of MNGL was completed on 27<sup>th</sup> March, 2021 and 21<sup>st</sup> April, 2021 respectively. On completion of the same they were ceased to be the directors on the Board of MNGL as per the provisions of the Companies Act, 2013.





Shri S. Halder was ceased to be the Managing Director of the company w.e.f. 5<sup>th</sup> April, 2021 on his repatriation to the parent company i.e. GAIL. Subsequently, on receipt of nomination from GAIL, Shri Deepak Sawant was appointed as Managing Director of your company w.e.f. 6<sup>th</sup> April, 2021 by the Board at its 91<sup>st</sup> Board Meeting held on 21<sup>st</sup> May, 2021. The shareholder's approval for this appointment shall be obtained at the ensuing 15<sup>th</sup> Annual General Meeting.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri R. P. Natekar, Shri Ashim Batra, Shri S. Halder, Shri Santosh Sontakke, Shri Rajesh Pande and Shri Deepak Mukadam during their tenure as Directors of the company.

In terms of Section 152 of the Companies Act, 2013, Shri Priyotosh Sharma is liable to retire by rotation at the ensuing Annual General Meeting.

## 18. DEPOSITS

During the Financial Year 2020-21, your company has not accepted any deposit within the meaning of section 73 and 74 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## 19. CORPORATE GOVERNANCE

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

### 19.1 AUDITORS:

#### • Statutory Auditors & Audit Report

The Statutory Auditors of your Company is appointed by the Comptroller & Auditor General of India (C&AG). M/s SUNSVG & Associates, Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2020-21.

The Statutory Auditors have been paid a remuneration of Rs.8,60,000/- towards audit fee. The fees includes charges of Rs.27,500/- each for 2 quarters i.e. Sept. 20 & Dec. 20 for providing limited review and out of pocket expenses of Rs.35,000. The above fees are exclusive of applicable service tax. In addition, Rs.2,00,000 are also be paid to the Statutory Auditors for providing certification of Internal Financial Control (IFC). (Due to COVID the IFC could not be undertaken for FY 2019-20 however, in FY 2018-19 the same fees were approved separately through nomination)

The Report given by the Statutory Auditors on the financial statements for FY 2020-21 and the Comments of Comptroller & Auditor General of India (C&AG) forms part of the Annual Report.

#### • Cost Auditors

The cost audit report for the financial year 2020-21, prepared by the Cost Auditor M/s. Dhananjay V. Joshi & Associates, Cost Accountants was taken on record and approved by the Board.

#### • Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, Your Company had appointed M/s. Rachana Kolte, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report confirming compliance by Practicing Company Secretary to applicable provisions of the Companies Act 2013 and other applicable laws forms part of this report as "Annexure C" to this Report.

### 19.2 EXTRACTS OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website.

### 19.3 RELATED PARTY TRANSACTIONS:

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

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

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

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

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

### 19.5 MANAGERIAL REMUNERATION AND SITTING FEES:

The Managing Director and Director (Commercial) are nominated by GAIL (India) Ltd. and Bharat Petroleum Corporation Ltd. respectively and the terms and conditions of their appointment including remuneration are advised by their parent organizations.

The Independent Directors and Non- Executive Nominee Directors are paid sitting fees of Rs. 20,000/- per Board Meeting and Rs.10,000/- per committee meeting for attending the meetings. Total sitting fees paid during the financial year under review were Rs. 13,68,800/-.





The Non-Executive Directors do not hold any shares in the Company.

#### 19.6 RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL ADEQUACY

During the financial year 2020-21 the Company has adhered to the Risk Management System including the Risk Policy & identification of the Risks set during the last financial year and followed the laid down set of standards, processes and structure which enables to implement internal financial control across the organization and ensure the same are adequate and operating effectively.

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

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

[http://www.mnpl.in/risk\\_management\\_policy.html](http://www.mnpl.in/risk_management_policy.html)

#### 19.7 WHISTLE BLOWER POLICY AS A PART OF VIGIL MECHANISM:

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

#### 19.9 DISCLOSURES:

##### a. Board of Directors

As per the Articles of Association of the Company, one third strength of the Board of Directors is required to retire by rotation at the ensuing Annual General Meeting. Shri Priyotosh Sharma is liable to retire by rotation at the ensuing Annual General Meeting.

During the year 2020-21, following **directors/Key Managerial Personnel were appointed** on the Board of MNGL:

Sr. No.	Date	Name of the KMP/ Director	Particulars
1.	01.09.2020	Shri A. K. Jana (DIN: 03452799)	Appointed as Nominee Director representing IGL pursuant to Shareholder's agreement clause 5.2, Sections 149,151, 152, 161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder and pursuant to Article 117 of the Articles of Association of the Company.
2.	20.11.2020	Shri Priyotosh Sharma (DIN 08899227)	Appointed as an Additional Director and to be appointed as Nominee Director on approval of shareholders, as nominated by B P C L , pursuant to Shareholder's agreement clause 5.6 & Sections 151,152,161(3) & 161(4) of the Companies Act, 2013, & rules made thereunder and pursuant to Article 117 of the Articles of Association of the Company.
3.	30.01.2021	Shri Sanjay Sharma (DIN: 09025971)	Appointed as Director (Commercial) nominated by BPCL pursuant to Shareholder's agreement clause 5.6 & Sections 196 and 203 of the Companies Act, 2013, & rules made thereunder and pursuant to Article 142, 143 & 144 of the Articles of Association of the Company.

It provides a platform to the employees, Directors, vendors and suppliers of the company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The company has engaged an independent third party service provider to manage the operations under the Whistle Blower policy.

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

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

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

[http://www.mnpl.in/whistle\\_blower\\_policy.html](http://www.mnpl.in/whistle_blower_policy.html)

#### 19.8 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries, Joint venture and Associate companies as on 31<sup>st</sup> March, 2021.





4.	19.03.2021	Smt. Bageshree Manthalkar (DIN: 07914288)	Appointed as an Independent Woman Director of the company as per provisions of sections 149 of the companies Act, 2013 & Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014.
5.	21.08.2020	Shri Mayuresh Ganu	Appointed as Chief Financial Officer of the company

During the year, followings were **ceased to be the directors/Key Managerial Personnel** from the Board of MNGL:

Sr. No.	Date	Name of the KMP/ Director	Particulars
1.	01.09.2020	Shri Ashim Batra (DIN: 7173368)	He ceased to be a Nominee Director representing IGL on account of intimation received by IGL.
2.	19.09.2020	Shri R. P.Natekar (DIN: 07858989)	He ceased to be Chairman & Nominee Director nominated by BPCL, on resignation from directorship of MNGL.
3.	29.01.2021	Shri Santosh Sontakke (DIN: 07836490)	He ceased to be a Director (Commercial) nominated by BPCL on account of completion of period of directorship as intimated by the parent company i.e. BPCL
4.	27.03.2021	Shri Rajesh Pande (DIN: 02219538)	He ceased to be an Independent Director on the Board of MNGL on completion of 2nd term as per provisions of section 149 of the Companies Act, 2013.
5.	13.07.2020	Shri Ashutosh Dighe	He ceased to be the Chief Financial Officer of the company due to resignation from services of the company.

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors & Chief Financial Officer during their association with your Company.

None of the Directors are disqualified from being appointed as Directors in term of provisions of Companies Act, 2013.

**b. Compositions:**

The Company has Eight Directors on its Board comprising two Executive Directors Namely Managing Director and Director (Commercial), two Non-Executive & Independent Directors and four Non-Executive Nominee Directors. The composition and category of Directors along with other Directorships as on March 31, 2021 are as under:

Sr.No.	Name of Directors	Executive/ Non-Executive/Independent	Directorship in other public / Private company
1.	Shri Sanjay Kumar (DIN: 08346704)	Chairman & Nominee & Non-Executive Director	Nil
2.	Shri S. Halder (DIN: 08452845)	Managing Director	Nil
3.	Shri Sanjay Sharma (DIN: 09025971)	Director (Commercial) (w.e.f. 30.01.2021)	Nil
4.	Shri Priyotosh Sharma (DIN: 08899227)	Nominee & Non-Executive Director (w.e.f. 20.11.2020)	Nil
5.	Shri A. K. Jana (DIN: 03452799)	Nominee & Non-Executive Director (w.e.f. 01.09.2020)	Indraprastha Gas Limited





6.	Shri Amit Garg (DIN: 08515246)	Nominee & Non-Executive Director	Indraprastha Gas Limited
7.	Shri Deepak Mukadam (DIN: 00716932)	Independent Director (till 21.04.2021)	Jaybee Steel Treaters P Ltd.
8.	Smt. Bageshree Manthalkar (DIN: 07914288)	Independent Director (w.e.f. 19.03.2021)	BOW Horizon Pvt. Ltd.

**c. Board Meetings:**

Pursuant to the provisions of Section 173 of the Companies Act, 2013 and rules made thereunder, every Company shall hold a minimum of four meeting of its Board of Directors every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. During the Financial Year 2020-21, the Board met 7 times and the gap between two meetings did not exceed one hundred and twenty days. Details of meetings are provided in following table:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	15/06/2020	5	12/02/2021
2	21/08/2020	6	26/02/2021
3	20/11/2020	7	19/03/2021
4	29/01/2021		

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

Sr.No.	Name of Directors	Executive/ Non-Executive/Independent	No. Of Meetings Held	No. of Meeting Attended	%
1.	Shri Ashim Batra (DIN: 7173368)	Nominee & Non-Executive Director (till 01.09.2020)	*2	2	100
2.	Shri R. P. Natekar (DIN: 07858989)	Nominee & Non-Executive Director (till 19.09.2020)	*2	2	100
3.	Shri Sanjay Kumar (DIN: 08346704)	Nominee & Non-Executive Director	7	7	100
4.	Shri S. Halder (DIN: 08452845)	Managing Director	7	7	100
5.	Shri Santosh Sontakke (DIN: 07836490)	Director (Commercial) (till 29.01.2021)	*4	4	100
6.	Shri Sanjay Sharma (DIN: 09025971)	Director (Commercial) (w.e.f. 30.01.2021)	*4	4	100
7.	Shri Priyotosh Sharma (DIN: 08899227)	Nominee & Non-Executive Director (w.e.f. 20.11.2020)	*5	5	100
8.	Shri A. K. Jana (DIN: 03452799)	Nominee & Non-Executive Director (w.e.f. 01.09.2020)	*5	5	100





9.	Shri Amit Garg (DIN:08515246)	Nominee & Non-Executive Director	7	7	100
10.	Shri Deepak Mukadam (DIN: 00716932)	Independent Director	7	6	85.71
11.	Shri Rajesh Pande (DIN: 02219538)	Independent Director (till 27.03.2021)	7	7	100

\* No. of Board Meetings were considered which were held during the tenure of the Directors

**d. General Meeting:**

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

Sr.No.	No. of Meeting	Date of Meeting	Place of Meeting
1	12th AGM (Adjourned)	28.12.2018	Registered Office, Shivaji Nagar, Pune,
	12th AGM (Concluded)	08.02.2019	Registered Office, Shivaji Nagar, Pune, 2
2.	13th AGM	16.09.2019	Amanora The Fern Hotels & Club, 1st Floor, Business Centre, Amanora Park Town, Amanora Magarpatta Road, Hadapsar, Pune – 411028.3
3.	14th AGM	18.09.2020	Through VC

Attendance of Directors in the last Annual General Meeting held on 18<sup>th</sup> September, 2020 is as under:

Sr.No.	Name of Directors	Executive/ Non-Executive/Independent	Attendance at the Meeting 18.09.2020
1.	Shri R. P. Natekar	Chairman & Non-Executive Nominee Director	Yes
2.	Shri S. Halder	Managing Director	Yes
3.	Shri Santosh Sontakke	Director (Commercial)	Yes
4.	Shri Amit Garg	Non-Executive Nominee Director	Yes
5.	Shri Sanjay Kumar	Non-Executive Nominee Director	Yes
6.	Shri Deepak Mukadam	Independent Director	Yes
7.	Shri Rajesh Pande	Independent Director	Yes

**e. Key Managerial Personnel :**

Pursuant to Section 203, 196 & 197 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 following changes were taken place in case of following persons to act as Key Managerial Personnel (KMP) of the Company :-

1. Shri Santosh Sonatakke – Director (Commercial) till 29.01.2021
2. Shri Sanjay Sharma – Director (Commercial) w.e.f. 30.01.2021
3. Shri Mayuresh Ganu - Chief Financial Officer w.e.f. 21.08.2020
4. Shri Ashutosh Dighe - Chief Financial Officer till 13.07.2020

**f. Declaration of Independence :**

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





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

#### 19.10 **Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee.**

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

##### 1. **Audit Committee:**

The Terms & Reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2021, the Committee comprises of Shri Deepak Mukadam, Independent Director as the Chairman of the Committee; Shri Rajesh Pande, Independent Director and Amit Garg, Non-executive Nominee Director as Members.

On 1<sup>st</sup> September 2020, Shri Ashim Batra, Non-executive Nominee Director was ceased to be the Director on the Board. Therefore, the Audit Committee was reconstituted in the Board Meeting held on 20<sup>th</sup> November 2020 and with the consent of new member, Shri Amit Garg, Non-executive Nominee Director become the member of the Audit Committee. The quorum for the meetings of the Committee is two Members. The members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

Whole-time Directors attend the meetings of the Audit Committee. The Statutory Auditors, Secretarial Auditors, Internal Auditors and Cost Auditors are invited to attend and participate at the meetings for relevant Audit Committee Agenda.

Three meetings of the Audit Committee were held during the Financial Year 2020-21 on the following dates:

Sr.	No. Dates of Audit Committee Meeting
1.	15.06.2020
2.	21.08.2020
3.	20.11.2020

The no. of Audit Committee Meetings attended by the members of the Audit Committee in the F.Y. ended on 31.03.2021 are as follows:

Sr. No.	Name	Designation	No. of Meetings attended	%
1	Shri Deepak Mukadam	Chairperson & Member (Independent Director)	3	100%
2	Shri Rajesh Pande	Member (Independent Director) (till 27.3.2021)	3	100%
2	Shri Sanjay Kumar	Member (Nominee Director)	3	100%
3	Shri Ashim Batra	Member (Nominee Director) (till 01.09.2020)	2	100%

##### 2. **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee (NRC) formulates and reviews policies related to remuneration / perquisites/ incentives within the parameters of section 178 of the Companies Act, 2013.

As on 31<sup>st</sup> March 2021, the Committee comprises of Shri Deepak Mukadam, Independent Director as the Chairman of the Committee; Shri Rajesh Pande, Independent Director and Shri Priyotosh Sharma, Non-Executive Nominee Director as the Members.

On 19<sup>th</sup> September 2020, Shri R. P. Natekar, Non-executive Nominee Director has resigned from directorship and ceased to be the member of the committee. Therefore, the NRC was reconstituted in the Board Meeting held on 20<sup>th</sup> November, 2020 and with the consent of new member, Shri Priyotosh Sharma, Non-executive Nominee Director become the member of the NRC. The quorum for the meetings of the Committee is two Members. The Company Secretary acts as the Secretary to the NRC.

During the year 2020-21, Six meetings of the Nomination and Remuneration Committee were held as follows:

Sr. No.	Dates of NRC Committee Meeting	Sr. No.	Dates of NRC Committee Meeting
1.	21.08.2020	4.	12.02.2021
2.	20.11.2020	5.	26.02.2021
3.	29.01.2021	6.	19.03.2021

The no. of NRC Committee Meetings attended by the members of the NRC Committee in the F.Y. ended on 31.03.2021:







Sr. No.	Name	Designation	No. of Meetings attended	%
1	Shri Deepak Mukadam	Chairman & Member (Independent Director)	5	83.33%
2	Shri Rajesh Pande	Member (Independent Director)	6	100%
3	Shri Priyotosh Sharma	Member (Nominee Director) (w.e.f. 20.11.2020)	4	100%
4	Shri R. P. Natekar	Member (Nominee Director) (till 19.09.2020)	1	100%

### 3. Corporate Social Responsibility Committee

The composition powers, role and terms of reference of CSR Committee are in accordance with the requirements mandated under section 135 of the Companies Act, 2013.

On cessation of directorship of Shri Ashim Batra on 1st September, 2020, he ceased to be member of the committee. Therefore, the CSR Committee was reconstituted by the Board in its meeting held on 20th November, 2020 and with the consent of new member, Shri Amit Garg, Non-executive Nominee Director become the member of the CSR Committee. As on 31st March 2021, the Committee comprises Shri Deepak Mukadam, Independent Director as Chairman of the Committee, Shri Rajesh Pande, Independent Director and & Shri Amit Garg, Non-Executive Nominee Director as the members of the committee.

During the year 2020-21, three meetings of the Corporate Social Responsibility Committee were held as follows to discuss on the various proposals:

Sr. No.	Dates of CSR Committee Meeting
1.	11.12.2020
2.	14.01.2021
3.	11.03.2021

The no. of CSR Committee Meetings attended by the members of the CSR Committee in the F.Y. ended on 31.03.2021:

Sr. No.	Name	Designation	No. of Meetings attended	%
1	Shri Deepak Mukadam	Chairperson & Member (Independent Director)	3	100
2	Shri Rajesh Pande	Member (Independent Director)	3	100
3	Shri Amit Garg	Member (Nominee Director)	3	100

#### 19.11 Formal Annual Evaluation:

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

#### 19.12 MANAGEMENT DISCUSSION AND ANALYSIS

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

#### 19.13 GENERAL:

##### 1. SIGNIFICANT AND MATERIAL ORDER

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

##### 2. OTHER MATERIAL CHANGES

Pursuant to Section 134(3)(l) and other applicable provisions of Companies Act, 2013, save as aforesaid in this report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e. 31st March, 2021 and as on the date of this report.





### 3. DISCLOSURE UNDER THE POLICY OF PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per requirement of The Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your company has constituted Internal Complaints Committee (ICC). During the year under review, no complaints with allegation of sexual harassment was received by the company.

#### 19.14 SHAREHODING PATTERN AS ON 31ST MARCH, 2021

Shareholding Pattern of the Company as on 31st March, 2021 is as follows:

Sr. No.	Name of Shareholders	No of Equity Shares held @₹ 10/- each	% of Shares held
1	GAIL (India) Limited	2,24,99,996	22.49
2	Bharat Petroleum Corporation Limited	2,24,99,600	22.49
3.	Bharat Petroleum Corp. Ltd. (jointly with individual)	100	0.01
4.	Maharashtra Industrial Development Corporation(MIDC)	50,00,000	05.00
5.	Indraprastha Gas Limited	5,00,00,000	50.00
6.	Other (individual jointly with GAIL India Limited)	4	-
7.	Others (Individuals)	300	0.01
	<b>Total</b>	<b>10,00,00,000</b>	<b>100%</b>

#### 20. ACKNOWLEDGEMENT

Your Directors express their gratitude to the Ministry of Petroleum and Natural Gas (MoPNG), Petroleum and Natural Gas Regulatory Board (PNGRB), Government of India, Government of Maharashtra, Government of Karnataka and local citizens for the continued guidance and support extended to the Company.

The Directors also acknowledge the support of all Statutory & Local Authorities, Bankers, Media, Station Operators & their employees, contractors, vendors and suppliers.

Your Directors acknowledge and are grateful for the guidelines received from Statutory Auditors and CAG.

Your Directors also acknowledge the patronage received from its promoters, GAIL (India) Limited, Bharat Petroleum Corporation Limited and dominant shareholder Indraprastha Gas Limited.

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

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

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

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

Sd/-  
**Sanjay Sharma**  
Director (Commercial)

Sd/-  
**Deepak Sawant**  
Managing Director

Place: Pune  
Date: 06.09.2021





## 16<sup>TH</sup> ANNUAL DAY CELEBRATION 2020





## CSR ACTIVITY





## ANNEXURE- "A"

### 1) Brief outline on CSR Policy of the Company.

Maharashtra Natural Gas Limited (MNGL) is conscious of its social responsibility and has been continuously contributing towards social causes. MNGL recognizes that its business activities have direct and indirect impact on the society. Your company believes that a responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates.

MNGL follows the Board approved CSR Policy which is in line with the requirements of the Companies Act, 2013.

### 2) Composition of CSR Committee:

Sr.No.	Name of Directors	Designation/ Nature of Directorship	No. Of Meetings of CSR Committee Held During the Year	No. Of Meetings of CSR Committee Attended During the Year
1	Deepak Mukadam	Chairperson	3	3
2	Rajesh Pande	Member		3
3	Amit Garg	Member		3

### 1) Provide the weblink where composition of CSR committee, CSR policy and CSR projects approved by board are disclosed on the website of the company:

CSR policy under modification, web link; <https://www.mngl.in/csr-activities/>

### 4) 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):

No impact assessment of CSR proposals has been carried out.

### 5) 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 an

5.a) Not Applicable

### 6) Average net profit of the company as per section 135(5): Rs.220.5 Cr

### 7) (a) Two percent of average net profit of the company as per section 135(5): Rs. 4.41Cr

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0

(c) Amount required to be set off for the financial year, If any: 0

(d) Total CSR obligation for the financial year (7a + 7b7c): Rs. 4.41Cr

### 8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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
1,60,26,126	2,37,77,454	26th April 2021	Will be transferred before 30th September (to be decided in upcoming CSR meeting)		



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

1 Sr. 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 (months)	7 Amount allocated for the project (in Rs.)	8 Amount spent in the current financial Year (in Rs.).	9 Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	10 Mode of Implementation Direct (Yes / No)	11 Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Contribution for purchasing Anaesthesia machine with autosampler for cancer & underprivileged patients to Bharatiya Sanskriti darshan Trust	Health	Yes	Maharashtra	Pune	2	36,64,658/-	0	36,64,658/-	Yes	-	-
2	Skill development to 450 marginalised students in Gas plumbing, Retrofitting.	Skill development	Yes	Maharashtra	Pune	7-8	79,65,000/-	39,82,500/-	39,82,500/-	No	Suryadutta Education Foundation	-
3	Contribution for purchasing vestibulator for special students to The Society for Welfare Of Differently Abled Person	Health	Yes	Maharashtra	Pune	4-5	14,97,750/-	10,48,425/-	4,49,325/-	Yes	MINGL	-
4	Skill development of underprivileged household women and men in making diya, cosmetic products from cowdung	Skill development	Yes	Maharashtra	Pune	6	8,39,500/-	1,67,900/-	6,71,600/-	No	Ved Vasudev Prathisthan	-
5	Project Atmanirbhar. Health care and Education for pregnant women and children	Health, Education	Yes	Maharashtra	Pune	4	9,57,105/-	6,69,973/-	2,87,132/-	No	Tapasya	CSR00006094



1	2	3	4	5		6	7	8	9	10	11	
				Location of the project							Mode of Implementation Through Implementing Agency	Name
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project duration (months)	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes / No)		
6	Skill development of tribal people in Nashik	Skill development	Yes	Maharashtra	Nashik	7-8	15,42,640/-	10,79,848/-	4,62,792/-	No	VASA	-
7	Health care and Education programme for Adolescent students	Education, Health	Yes	Maharashtra	Pune	5	5,78,340/-	1,15,668/-	4,62,672/-	No	Step Up	-
8	Community development project in slum areas of Singhagad	Community development	Yes	Maharashtra	Pune	4	18,14,400/-	12,70,080/-	5,44,320/-	No	Swanand Jankalyan Prathistah	CSR00001007.
9	Conducting OPDs and Health checkup camps of slum people	Health	Yes	Maharashtra	Pune	6	20,00,000/-	4,00,000/-	16,00,000/-	No	Seva Arogya foundation	CSR00000918.
10	Conducting health check-up camps for auto rickshaw drivers at Nashik	Health	Yes	Maharashtra	Nashik	3	54,62,000/-	38,23,400/-	16,38,600/-	No	Zhep Bahuddeshiya Samajik Sanstha	-
11	Distribution of food packets to underprivileged people affected by COVID-19	Eradicating hunger and malnutrition	Yes	Maharashtra	Pune	7-8	7,00,000/-	1,40,000/-	5,60,000/-	No	Omkareshwar	-
12	Skill development training of under privileged youth at Ramanagar in Gas Plumbing	Skill development	Yes	Karnataka	Ramnagar	7-8	18,58,000/-	9,29,000/-	9,29,000/-	No	Suryadutta Education foundation	-



1	2	3	4	5		6	7	8	9	10	11	
				Location of the project							Mode of Implementation Through Implementing Agency	Name
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project duration (months)	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes / No)		
13	Distribution of immunity boosters to co-morbid workers of PMC	Health	Yes	Maharashtra	Pune	7-8	33,00,000/-	0	33,00,000/-	No	PMC	-
14	Contribution for purchasing of vehicle for blood transportation	Health	Yes	Maharashtra	Pune	7-8	33,00,000/-	0	33,00,000/-	No	Jankalyan Raktapedhi	-
15	Contribution of vehicle to Bharatiya Samaj Seva Kendra for transportation of orphan children to hospital and various places	-	Yes	Maharashtra	Pune	5-6	10,02,000/-	11,000/-	9,91,000/-	Yes	MNGL	
	Total							1,36,37,794/-				





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

1	2	3	4	5		6	7	8	
				Location of the project	District			Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)
Sr. No.	Name of Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	State	District	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Name	CSR Registration number
1	Contribution for purchasing surgical gloves to Sassoon hospital	Health	Yes	Maharashtra	Pune	5,00,000/-	Yes	-	-
2	Contribution for purchasing equipment for special students at Sai Seva School	Education	Yes	Maharashtra	Pune	3,18,831/-	Yes	-	-
3	Conducting education classes, personality development classes and cultural classes for community children	Community development	Yes	Maharashtra	Pune	6,59,745/-	No	Surajya Sarvangin Vikas Prkalp	CSR00009375
4	Distribution of Atharva kits to autorickshaw drivers, owners, police personnel, traffic police	COVID-19	Yes	Maharashtra	Pune	6,41,200/-	Yes	-	-
5	Distribution of sanitisers to auto rickshaw drivers, owners, unions	COVID-19	Yes	Maharashtra	Pune	66,060/-	Yes	-	-
6	Distribution of mask to auto rickshaw drivers, police personnel	COVID-19	Yes	Maharashtra	Pune	3,276/-	Yes	-	-
7	Distribution of sanitisers to police personnel	COVID-19	Yes	Maharashtra	Pune	47,200/-	Yes	-	-
8	Distribution of food packets to migrants travelling from Pune to various station	COVID-19	Yes	Maharashtra	Pune	1,47,000/-	Yes	-	-
9	Distribution of mattress to old age home at Sindhudurg	COVID-19	Yes	Maharashtra	Pune	5,000/-	Yes	-	-
	Total					23,88,332			



- d) Amount spent in Administrative overheads- None  
e) Amount spent in impact assessment, if possible – None  
f) Total amount spent for financial year – Rs.1.60 Cr. (8b+8c+8d+8e)  
g) Excess amount for set off if any,- None

Sr.No	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	4.41CR
(ii)	Total amount spent for the Financial Year	1.60 CR
(iii)	Excess amount spent for the financial year [(i)-(ii)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

**9 (a) Details of CSR amount spent against ongoing projects for the financial year:**

Sr. No.	Proceeding Financial Year	Amount transferred to unspent CSR account under section 135(6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	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 Rs.)
				Name of the Fund	Date of transfer	
1	2019-2020	NA	1.80 cr			0.59 cr
2	2018-2019	NA	0.55 cr	NA		0.25cr
3	2017-2018	NA	1.63cr			0.44 cr

**(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
Sr. No.	Project ID	Name of Project	Financial year in which project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed /Ongoing.
1		We-Wake & We-Lead Programme in 15 Schools	2019	4 Months	15,00,000/-	3,33,678/-	11,66,322/-	Completed
2	NA	Community Development (Samruddhi varg & Kishor darpan varg) in slums of Sinagard	2019	4 Months	20,29,280/-	7,98,206/-	10,14,640/-	Completed

1	2	3	4	5	6	7	8	9
Sr. Project No.	Project ID	Name of Project	Financial year in which project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed /Ongoing.
3		To provide financial assistance for construction cost of 2 Laboratories/ Hall measuring 526 sq.ft. @ Rs. 12 lakhs per hall.	2019	ongoing	24,00,000/-	9,00,000/-	12,00,000/-	Ongoing
4	NA	Zhep Rehabilitation Center	2019	ongoing	25,41,000/-	10,16,400/-	12,70,500/-	Ongoing
5		Dnyanjyoti Vidyamandir under Dnyanjyoti Shaikshanic Sanstha, Kirkatwadi, Pune	2019	Completed	4,14,605/-	2,07,303/-	2,07,303/-	Completed

**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)**

- Date of creation or acquisition of the capital asset(s) - NA
- Amount of CSR spent for creation or acquisition of capital asset -NA
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - NA

**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):**

Total CSR budget for FY 2020-21 was Rs. 4.41 Cr. Out of Which Rs. 1.60 Cr. was spent till 31<sup>st</sup> March 2021. Out of the unspent amount of Rs. 2.80 Cr., the amount of Rs. 2.38 Cr. allocated for the ongoing CSR projects has been transferred to a separate account. It is to inform that as per the CSR Policy of the Company, the project amount is to be disbursed subject to the completion of stages and satisfactory submission of the requisite documents by NGO partners. Therefore, considering the pandemic situation in half of the FY 2020-21 the project completion gets delayed and 14 projects are still ongoing. Accordingly, the project amount shall be spent based on the successful completion of stages and scrutiny of the documents submitted.

The unallocated amount of Rs. 43 lakhs is to be transferred to the fund mentioned in schedule VII of the Company Act, 2013 till September 2021 as per the amended rules of section 135 of the company act, 2013.

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

Sd/  
**Deepak Sawant**  
Managing Director  
DIN: 07339381

Sd/-  
**Sanjay Sharma**  
Director (Commercial)  
DIN: 09025971

Date : 06/09/2021  
Place : Pune





## ANNEXURE- "B"

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2019-20

#### A. CONSERVATION OF ENERGY

1. Company has taken various steps for conservation of energy at various operating Installations. This has resulted in savings and contributions to environmental Improvements. Some of the energy conservation schemes are given as under:
  - a. More Energy Efficient Canopy, Street lights, well glass, Office lights (LED Type) have been procured and installed for Energy saving. (The energy saving of 180 watt/Light achieved by Replacing 250Watt HPMV/Sodium lights to 70 Watt LED, by March'18 total 35 lights at MS and NRO have been replaced) Till date we have replaced 478 LED lights. New Stations are commissioned with LED lights from the beginning.
  - b. Installation of APFC at all MS, NRO have been completed. Installation of new APFC panels is in process for all DBS to conserve and provide stable electricity.
  - c. Maintained PF around unity in CNG stations resulting in saving of around Rs. 8 Lakhs.
  - d. Introduction of 56 no's of CNG driven LCVs for transportation of mobile cascades to reduce the carbon footprints and operational cost.

#### B. TECHNOLOGY ABSORPTION:

A. Efforts made towards technology Absorption	<ol style="list-style-type: none"> <li>1. Complete Automation of entire MNGL assets is being undertaken, tendering process completed as of now. This will help in reducing time and effort required to monitor entire assets.</li> <li>2. Introduction of 56 number of LCV running on CNG as Fuel in the FY 2020-21, will help reduce carbon footprint as well as overhead costs of fuel used for transport as well as maintenance costs.</li> </ol>
B. Benefit derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	<ol style="list-style-type: none"> <li>1. Maintained PF around unity in CNG stations resulting in saving of around Rs. 8 lacs in 2020-21.</li> <li>2. By using LED lights saving of 180W/ lights is achieved. Effective monetary benefit can be pegged at Rs. 38.8 Lakhs for the FY 2020-21.</li> </ol>
C. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year), following information may be furnished: <ol style="list-style-type: none"> <li>i. Technology imported</li> <li>ii. Year of import</li> <li>iii. Has technology been fully absorbed</li> <li>iv. If not absorbed, areas where this has not taken place, reason therefore &amp; future plan of action</li> </ol>	NIL
D. The expenditure incurred on Research and Development	NIL





### Other initiatives

- T4s, ERDMP, MPCB certification done.
- Network drawing through GIS of entire assets have been mapped for Pune GA.
- Manpower Optimization in forecourt operation resulted in savings of Rs. 23, 64, 322 for the FY 2020-21.
- Optimum utilization of LCV during pandemic resulted in cost savings of Rs. 50 Lakhs.
- O&M cost savings towards AMC of CNG Compressors overhead cost savings by Rs. 47, 69, 206.
- Reduced O&M cost of Car and Bus dispensers for 81 no's through in-house maintenance by Rs. 95, 25, 000.
- Avoided Steel line re-routing by application of best engineering practices and hard negotiations with PMC and NHAI officials and resulted in cost savings of Rs. 5, 84, 00, 000 approx.
- Encasing of Steel line and recovery from Maha Metro Rs. 40, 00, 000 approx.
- Savings against Lease rent invoice received from Irrigation department approx. Rs. 10, 00, 000.
- Re-structuring of Compressor AMC resulted in savings of Rs. 13 Crores for a period of 5 years.
- Maintained un-interrupted gas supply during Covid-19 Pandemic period.

### C. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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





## ANNEXURE- "C" SECRETARIAL AUDIT REPORT

To,  
The Members,  
**Maharashtra Natural Gas Limited**

Plot no. 27, Narveer Tanajiwadi,  
PMT Bus depot, Commercial Building, 1st Floor,  
Shivajinagar, Pune 411005

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

Based on my verification of Maharashtra Natural Gas Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Maharashtra Natural Gas Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable -**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): – **Not applicable -**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) other applicable laws like Maharashtra Fire Prevention and Life Safety Measures Act, 2006, The Bombay Gas Supply Act 1939, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In respect of other applicable laws to the Company, I have relied on information obtained, representations made and records produced physically or over e-mail from the departmental heads, during the course of my audit. My reporting is limited to that extent.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India as they stand on the date of reporting;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable - Not applicable -

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors whereas the appointment of Independent Woman Director has been done at the end of financial year i.e on 19<sup>th</sup> March 2021. The changes in the composition of the Board of Directors that took place during the period under review were carried





out in compliance with the provisions of the Act.

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

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

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

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

**For CS Rachana R. Kolte**

Practising Company Secretary

**Sd/-**

Rachana Kolte

Membership No. 50134

C.P. No. 18572

Place: Pune

Date: 08.09.2021

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

**Annexure A**

To,  
The Members,  
Maharashtra Natural Gas Limited  
Pune

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and propriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For CS Rachana R. Kolte**

Practising Company Secretary

**Sd/-**

Rachana Kolte

Membership No. 50134

C.P. No. 18572

Place: Pune

Date: 08.09.2021





## ANNEXURE- "D"

### MANAGEMENT DISCUSSION AND ANALYSIS

#### City Gas Distribution

Over the last few years, the case for the use of natural gas as a fuel has become stronger worldwide, and India is no exception. Concerns relating to increasing air pollution levels and climate change have pushed the government to increase the share of gas in the country's overall energy basket. The city gas distribution (CGD) segment is one of the key consumers of natural gas, and it has thus received increased government attention.

The CGD infrastructure in India has made significant headway, from 34 geographical areas in 2014, the network is being expanded to 288 gas authorities across the country, covering 50% of geography and catering to nearly 70% of Indian population.

The CGD sector has been growing by leaps and bounds in recent years, PNGRB is preparing to come out with round 11 of CGD bidding after which 50-100 districts will be added up to the CGD network. This will surely highlight the government's vision of creating CGD infrastructure across the country.

In addition to above, it is expected that the station to cater to fleet to 15 million CNG vehicles, as CNG vehicles are more cost effective could lead to potential saving of nearly Rs. 2 trillion. It is also expected that the PNG connections in country is expected to increase by 42 trillion over next 8-10 years as per the commitments made in ninth and tenth round.

Going ahead, the sector will offer significant opportunities for CGD companies. The sector is expected to witness a growth of 7-8 per cent as compared to the 2019-20 levels, as 2020-21 has been an irregular year.

#### Impact of Covid

Natural gas supply subjected as an essential service which made it to continue to operate during the lockdown as well. CGD entities were able to receive gas supplies and maintain the supply of gas to all consumer segments.

However, the outbreak of COVID-19 pandemic and the subsequent lockdown posed multiple challenges for the CGD sector. Lockdown restrictions and labour migration leading to non-availability of material and manpower that severely impacted the project activities.

City gas volumes have been impacted by the second wave of COVID-19 induced lockdowns, but the drop is less severe than the first wave. While lockdowns reduced mobility and vehicular mobility impacting CNG sales volumes, gas consumption in industries dropped due to reduced activities, besides commercial demand has also been significantly reduced. But the drop in piped cooking gas consumption is relatively lower as demand from the domestic segment remains resilient due to more at-home dining.

- **Much-needed relief**

In a bid to provide relief to CGD players looking over the impact of COVID-19 and notifying for force majeure, PNGRB allowed timeline extensions to 41 CGD companies setting up projects in 185 geographical areas for the completion of MWP commitments. The board considered 69 days as the centrally imposed lockdown period, and 60 days as the restoration period. While most of the 185 entities received a basic extension of 129 days only, 38 entities, largely at locations that had longer state-enforced lockdowns, received extensions ranging from 136 to 251 days.

#### A step towards green and clean

- **Mandatory switch to PNG by industrial units in Delhi**

One of the remarkable development is, the Ministry of Environment, Forest and Climate Change identified about 1644 industrial units spread across 50 Industrial areas in Delhi to switch over to PNG in December 2020. The decision has been taken on account of high levels of pollution in city and would ultimately promote use of natural gas.

#### New verticals

- MRU will be an alternative for supplying CNG in areas where CNG has yet not connected through pipelines or at places where there is scarcity of land parcels to set up conventional CNG stations. The positive facts include lower cost, ability to reach consumers at shopping malls, offices and other places.
- Fishing boats are typically fuelled by diesel. In order to limit the sulfur content of fuel used in ships, natural gas can be a fueling solution for boater around the world and to explore the use of cleaner fuels. However this can be a future business vertical in CGD sector





## Digital push

Digitalisation in the CGD sector has become the need of the hour in order to ensure higher efficiency rates in operations. Digital tools such as geographic information systems, which were not considered important earlier, are now being used extensively in the CGD sector as they improve collaboration within the organisation and stimulate overall efficiency. Going forward, digitalisation is expected to play a major role in transforming the operations of CGD entities through the introduction of smart meters and mobile applications that reduce the need for manual readings.

Although the adoption of digital solutions increases the initial capex for companies, such solutions are pivotal in reducing opex over the long term. Many CGD companies have started adopting digital solutions and are also measuring the quantum of their operations being carried out digitally and that being carried out conventionally in order to achieve optimum efficiency.

## Key challenges

Major issue that CGD companies face is delays in obtaining permissions. While the authorities have showcased a highly positive intent for the CGD sector, government agencies still lack the resources for large-scale operations, due to which there are various delays in granting the requisite permissions.

Along with slow pace of approvals other major issues are shortage of skilled manpower, overbooked contractors and suppliers, and different VAT rates across states.

Besides this all, competition from electric vehicles, especially in the state transport bus segment, poses significant challenges for the CGD segment.

Going forward, the outlook for the sector remains optimistic due to favourable government policies and the expansion of CGD entities. The CNG segment is expected to grow exponentially in the coming years. Currently, there are around 41 million vehicles on Indian roads, of which only 4 million run on CNG. Hence, there is immense scope for CNG motor vehicles in the country.

## Future of Gas - LNG

With an aim of raising the natural gas share in energy basket to 15% by 2030, the consumption of natural gas in India has been increasing. The production has decreased from 31897 MMSCM in 2016-17 to 28672 MMSCM in 2020-21 and at the same time consumption has increased from 55697 MMSCM to 60646 MMSCM, registering a CAGR of 2.15 % which led to the dependency on imports. India being the fourth biggest importers of Liquid natural gas (LNG) 23.98 MT, presently approximately half the gas demand is met through LNG imports.

Keeping with the government's goal of shifting towards a gas-based economy, the country's LNG receiving terminal capacity is being steadily increased in order to curb the growing LNG imports. To reach out to end consumers, new pipelines are being laid to transport fuel, further city gas infrastructure is being expanded to take fuel to consumers.

### Small Scale LNG

The upcoming developments and an alternative to supply natural gas across the country is LNG. LNG promotes the direct use of LNG in its liquid form, has emerged as a viable option for serving end users in remote areas and areas that are not connected to main pipeline infrastructure. LNG stations/facilities would enable catering to residential, commercial, transport and industrial consumers.

LNG will not only benefit Industrial customers but also will support the market seeding and developments of recently licensed city gas distribution geographical areas that are yet not connected to pipelines.

Though with all of this, there are some of the challenges faced by LNG facilities such as lack of economies of scale, need for multiple clearances for the development of infrastructure, exclusion of natural gas from goods and service tax, difficulties in LNG transportation and lack of skilled labour.

### The road ahead

India planning network of LCNG/LNG fueling stations along its 6000 km long Golden Quadrilateral highways to build an effective ecosystem for LNG-fueled vehicles in the country will lead to a faster realization of existing demand and to access newer markets.





सत्यमेव जयते

कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा  
मुंबई

भारतीय लेखापरीक्षा और लेखा विभाग

सी 25, ऑडिट भवन 8वाँ तल, बान्द्रा-कुर्या कॉम्प्लेक्स, बान्द्रा (पू), मुंबई - 400 051.

फैक्स : 022-26573814 टेलीफोन : 022-26573813 / 26573942  
ई-मेल : pdcamumbai@cag.gov.in

Office of the Director General of Commercial Audit  
Mumbai  
Indian Audit & Accounts Department

C-25, 'Audit Bhavan' 8th Floor, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Fax : 022-26573814 Telephone : 022-26573813 / 26573942  
e-mail : pdcamumbai@cag.gov.in

संख्या: डीजीसीए/एम.एन.जी.एल-लेखों/20-21/टी-1845/ 19 3

दिनांक: 09.08.2021

सेवा में,

प्रबंध-निदेशक

महाराष्ट्र नॅचरल गॅस लिमिटेड,

पुणे.

विषय: कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन महाराष्ट्र नॅचरल गॅस लिमिटेड के 31 मार्च 2021 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं महाराष्ट्र नॅचरल गॅस लिमिटेड के 31 मार्च 2021 को समाप्त लेखों पर कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ प्रेषित कर रहा हूँ।

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

कृपया इस पत्र की रावती भेजें।

भवदीय,

महानिदेशक वाणिज्यिक लेखापरीक्षा मुंबई

संलग्न: यथोपरि





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA NATURAL GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

**C. M. Saif**

**Director General of Commercial Audit, Mumbai**

**Place: Mumbai**

**Date: 09 August 2021**





**M/s. SUNSVG & ASSOCIATES**  
Chartered Accountants

C-18, Yashshree Apartment, Opp. To Nirnal Samruchi, Surbhi Mangal Karyalay Lane, Taware Colony, Satara Road, Pune - 411 009.  
Phone : (O) 020 - 24213814, (H) 020 - 24219062 / Mob : 9422307048 / Email : nadesalish@yahoo.co.in

**Independent Auditors' Report**

To,  
The Members,  
Maharashtra Natural Gas Limited,  
Pune

**Report on Audit of IND AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **Maharashtra Natural Gas Limited (MNGL)** which comprise the Balance Sheet as at 31<sup>st</sup> March 2021 & the statement of Profit & loss Account, cash flow statement, statement of changes in equity for the Period ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act.

- (i) in the case of Balance Sheet, of the state of affairs of company as at 31<sup>st</sup> March 2021
- (ii) in the case of statement of Profit and Loss, of the **Profit** for the period ended on that date.
- (iii) changes in equity for the year ended on that date.
- (iv) Cash flow statement for the year ended on that date





### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of Companies Act, 2013 and 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 opinion.

### **Information other than the Financial Statements and Independent Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity of the company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under



section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Act, we give our report on the matters specified in the aforementioned directions in Annexure C on taking into consideration the information, explanations, examination of records and written representations received from the management
3. As required by section 143(3) of the Act, we report that:  
We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - a. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - b. The Balance Sheet, Statement of Profit and Loss, cash flow statement and statement of changes in equity dealt with by this report are in agreement with relevant books of accounts maintained for the purpose of preparation of the IND AS financial statements;
  - c. In our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - d. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164 (2) of the Act.
  - e. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".





### Emphasis of matter

We draw attention to Note No. 42 in the Standalone Ind AS Financial Statements, which describes the economic consequences/disruption the company is facing as a result of COVID-19 pandemic, which is impacting consumer demand, financial markets, commodity prices and inventory valuation

Our opinion is not modified in respect of this matter.

### Other Matters

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us,

- i. The company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; - Refer Note 33 to the Ind AS Financial statements
- ii. As informed to us, the company has not entered in any long term contract including derivative contract and as such, this clause of providing foreseeable loss is not applicable to the company.
- iii. There is no such amount that is required to be transferred, to the investor Education and Protection Fund by the Company;
- iv. Due to the Covid -19 pandemic and the lockdown and other restrictions imposed by the government and local administration, the audit processes were carried out based on the remote access to the extent available / feasible and necessary records made available by the management through the digital medium.

For SUN SVG & Associates  
Chartered Accountants  
(FRN 118693W)



Satish Nade  
Partner

Membership No.102758.

UDIN : 21102758AAAABA3062

Place - Pune

Date - 22-05-2021



Annexures attached to the audit report

1. CARO "Annexure A"
2. Report on the Internal Financial Controls (IFC Report) "Annexure B"
3. Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Companies Act, 2013-  
"Annexure C"





**M/s. SUNSVG & ASSOCIATES**  
Chartered Accountants

C-15, Yashshree Apartment, Opp. To Nirmal Samrudhi, Surbhi Mangal Karyalay Lane, Taware Colony, Satara Road, Pune - 411 009.  
Phone : (O) 020 - 24213814. (H) 020 - 24219062 | Mob - 9422307048 | Email - nadesatish@yahoo.co.in

**"ANNEXURE A"**  
**Companies Audit Report Order (CARO)**

**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT**

Referred to in paragraph "1" of our report of even date, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that

i) In respect of Property, plant and Equipment:

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The PPE has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets. For the underground natural gas distribution system, the management has adequate controls in place to safeguard the physical existence of the said distribution system. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, as informed to us, in case of one immovable property situated at Gat No.539,Chikhali, it is defending a claim with reference to the title, filed by Chinchwad Deostan Trust.

j) In respect of Inventories:

The inventories of the Company comprise of natural gas. In our opinion and according to the information and explanation given to us, having regard to the nature of the inventory of natural gas, the procedures followed by the management for estimation of natural gas quantities which is based on volume of pipelines and the volume of cascades containing the natural gas considering the standard temperature and pressures, are reasonable and no material discrepancies were noticed on such computation. Further, in our opinion, the management has conducted physical verification of inventory of stores and spare parts at reasonable intervals during the year



and no material discrepancies between physical inventory and book records were noticed on physical verification

- iii. As per information and explanation given to us and audit procedure carried out by us, the company has not granted any loans, secured or unsecured to companies, firms or other parties to be covered in the register to be maintained under section 189 of the companies Act, 2013. Accordingly, provisions of clause (iii)(a), (b), (c) of the order are not applicable to the company.
- iv. As per information and explanation given to us and audit procedure carried out by us, the company has not given any loans, made any investments, issued any guarantees and security covered by provisions of section 185 & 186 of the Companies Act 2013.
- v. The company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 73 to 76 of the Companies Act, 2013 and or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's product and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii.
  - a) According to the information and explanation given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues wherever applicable. There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess, GST and other material statutory dues applicable to it with the appropriate authorities



- b) In our opinion and on the basis of the information and explanation given to us, the dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise, GST and value added tax on account of any dispute, are as follows

Sr no	Name of Statute	Name of Dues	Amount (Rs in lacs)	Amount paid under Protest (Rs in lacs)	Period for which the amount relates	Forum where the dispute is pending
1	Sales Tax	Sales tax dues	35.47(net of refund of Rs.8 lacs)	0.25	FY 2009-10	Jt Commissioner of Sales Tax (appeal) Pune
2	Service Tax	Service Tax Dues	Service tax 2657.10 lacs and Penalty of Rs. 2658.21 lacs	199.28	FY 2012-13 to FY 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

- viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution and bank.
- ix) The company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The bank term loans were applied for the purposes for which those were raised.
- x) Based upon the audit procedures performed and information and explanations given by the management, we have neither come across any instance of fraud by the company or any fraud on the company by its officers or employees during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company not has paid/provided for managerial remuneration and hence, the provisions of section 197 read with Schedule V to the Act in are not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable IND AS.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SUN SVG & Associates**  
**Chartered Accountants**  
**(FRN 118693W)**



**Satish Nade**  
**Partner**  
**Membership No. 102758**  
**UDIN : 21102758AAAABA3062**  
**Place : Pune**  
**Date : 22-05-2021**





**M/s. SUNSVG & ASSOCIATES**  
Chartered Accountants

C-18, Yashshree Apartment, Opp. To Nirmal Samrudhi, Surbhi Mangal Karyalay Lane, Taware Colony, Satara Road, Pune - 411 009  
Phone (O) 020 - 24213814, (H) 020 - 24219062 Mob - 9422307048 Email - nadesatish@yahoo.co.in

**Annexure – B to the INDEPENDENT Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **MAHARASHTRA NATURAL GAS LIMITED (MNGL)** ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting**

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







## Opinion

According to the information and explanations given to us and based on our audit, the Company has maintained adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 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 SUN SVG & Associates  
Chartered Accountants  
(FRN 118693W)

Satish Nade  
Partner

**Membership No. 102758**

UDIN : 21102758AAAABA3062

Place : Pune

Date : 22-05-2021





**M/s. SUNSVG & ASSOCIATES**  
Chartered Accountants

C-15, Yashshree Apartment, Opp. To Nirmal Samrudhi, Surbhi Mangal Karyalay Lane, Taware Colony, Satara Road, Pune - 411 009.  
Phone : (O) 020 - 24213814. (H) 020 - 24219062 | Mob : 9422307048 | Email : radesalshi@yahoo.co.in hosunsvg@gmail.com

**ANNEXURE-C TO THE INDEPENDENT AUDITORS REPORT**

**Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Companies Act, 2013 (the 'Act')**

We have audited the financial statements of MAHARASHTRA NATURAL GAS LIMITED ('the Company') as of 31st March 2021 and in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date and According to Section 143(5) of the Companies Act 2013, and in line with the directions received from the Comptroller and Auditor General of India, we hereby report that:

Sr. No.	Direction	Auditors' Reply	Financial Implication
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated..	As per information given to us and based on the records examined, Company has system in place to process all the accounting transactions through IT system.	Not applicable
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the load? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	As informed by the management and based on the records examined, we have not observed any case of restructuring of an existing loan or waiver/ write off of debts/ loans/ interest etc. from banks or financial institution during the year under audit.	Not applicable



3.	<b>Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government of its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.</b>	As per information, explanations and written representations given to us by the management, the Company has not received any funds (grants/subsidy etc.) from Central/State Government for specific schemes of its agencies,	Not applicable
----	---	--	----------------

For SUN SVG & Associates  
Chartered Accountants  
(FRN 118693W)



Satish Nade  
Partner  
Membership No. 102758.  
UDIN : 21102758AAAABA3062  
Place : Pune  
Date : 22-05-2021





**Maharashtra Natural Gas Limited**

CIN: U11102PN2006PLC021839

Balance Sheet as at March 31, 2021

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	91,777.53	89,220.14
Right of Use Assets	3	6,486.12	4,534.15
Capital work-in-progress	3	35,391.91	13,239.26
Other intangible assets	4	415.91	102.76
Financial asset			
(i) Other financial asset	5	1,519.53	1,353.36
Other non-current assets	6	134.04	59.72
<b>Total non-current assets</b>		<b>1,35,725.05</b>	<b>1,08,509.40</b>
<b>Current assets</b>			
Inventories	7	46.22	36.33
Financial assets			
(i) Trade and other receivables	8	10,037.28	7,204.32
(ii) Cash and cash equivalents	9	3,065.31	1,310.38
(iii) Other financial assets	5	542.82	4,359.42
Other current assets	10	197.50	720.38
<b>Total current assets</b>		<b>13,889.14</b>	<b>13,630.85</b>
<b>Total - Assets</b>		<b>1,49,614.19</b>	<b>1,22,140.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11(a)	10,000.00	10,000.00
Other equity			
(i) Reserves and surplus	11(b)	72,545.57	61,247.67
<b>Total equity</b>		<b>82,545.57</b>	<b>71,247.67</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Long-term borrowings	12	21,065.91	16,476.00
(ii) Lease liability	13	7,265.59	4,696.65
Long-term provisions	14	320.88	184.28
Deferred tax liabilities (Net)	16	5,851.17	4,502.32
<b>Total non-current liabilities</b>		<b>34,503.55</b>	<b>25,859.25</b>



**Maharashtra Natural Gas Limited**

CIN: U11102PN2006PLC021839

Balance Sheet as at March 31, 2021

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31, 2021	March 31, 2020
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	17	7,596.06	4,776.64
(ii) Other current financial liabilities	13	22,653.65	18,381.84
Short-term provisions	14	1,123.98	882.65
Liabilities for current tax (Net)	18	483.48	558.61
Other current liabilities	19	707.89	433.57
<b>Total Current liabilities</b>		<b>32,565.08</b>	<b>25,033.32</b>
<b>Total - Liabilities</b>		<b>67,068.62</b>	<b>50,892.57</b>
<b>Total equity and liabilities</b>		<b>1,49,614.19</b>	<b>1,22,140.25</b>

Significant accounting policies 1

Critical estimates and judgements 2

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

As per our report of even date attached

**For M/s SUN SVG & ASSOCIATES**

Chartered Accountants

Firm Registration Number: 118693W

**For and on behalf of the Board of Directors of**

Maharashtra Natural Gas Limited

Sd/-

**CA Satish Nade**

Partner

Membership No : 102758

UDIN : 21102758AAAABA3062

Sd/

**Deepak Sawant**

Managing Director

DIN: 07339381

Sd/-

**Sanjay Sharma**

Director (Commercial)

DIN: 09025971

Sd/-

**Sarathy M K**

Chief Financial Officer

Sd/-

**Shreya Prabhudesai**

Company Secretary

A48866

Date : 22/05/2021

Place : Pune





**Maharashtra Natural Gas Limited**

CIN: U11102PN2006PLC021839

Statement of Profit and Loss for the year ended March 31, 20221

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31, 2021	March 31, 2020
Revenue from Operations	20	79,989.64	1,07,369.16
Other Income	21	71.67	229.01
<b>Total Income</b>		<b>80,061.31</b>	<b>1,07,598.17</b>
<b>Expenses</b>			
Purchases of Natural Gas	22(a)	33,012.99	52,838.04
Changes in inventories of finished goods	22(b)	(9.89)	(6.91)
Excise Duty		5,426.01	9,048.69
Employee benefit expense	23	1,725.67	1,911.77
Depreciation and amortisation expense	24	6,424.30	5,098.81
Finance Costs	25	2,325.70	2,446.95
Other expenses	26	7,482.66	8,062.82
<b>Total Expenses</b>		<b>56,387.43</b>	<b>79,400.16</b>
<b>Profit before exceptional items and tax</b>		<b>23,673.88</b>	<b>28,198.01</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>23,673.88</b>	<b>28,198.01</b>
Income tax Expense	27		
- Current Tax		5,074.87	6,505.24
Adjustment of tax relating to earlier years		(47.74)	646.38
- Deferred tax		1,348.85	(1,286.45)
<b>Total Tax Expense</b>		<b>6,375.98</b>	<b>5,865.17</b>
<b>Profit from continuing operations</b>		<b>17,297.90</b>	<b>22,332.83</b>
<b>Profit for the year</b>		<b>17,297.90</b>	<b>22,332.83</b>
<b>Other Comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15	-	-
Income tax relating to these items		-	-
Other Comprehensive income for the year, net of tax		-	-
<b>Total Comprehensive income for the year</b>		<b>17,297.90</b>	<b>22,332.83</b>
Earnings per equity share			
Basic and diluted earnings per share (in Rs.)	36	17.30	22.33

As per our report of even date attached  
The accompanying notes form an integral part of these financial statements.

**For M/s SUN SVG & ASSOCIATES**  
Chartered Accountants  
Firm Registration Number: 118693W

Sd/-  
**CA Satish Nade**  
Partner  
Membership No : 102758  
UDIN : 21102758AAAABA3062

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

Sd/  
**Deepak Sawant**  
Managing Director  
DIN: 07339381

Sd/-  
**Sanjay Sharma**  
Director (Commercial)  
DIN: 09025971

Sd/-  
**Sarathy M K**  
Chief Financial Officer

Sd/-  
**Shreya Prabhudesai**  
Company Secretary  
A48866

Date : 22/05/2021  
Place : Pune





**Maharashtra Natural Gas Limited**

CIN: U11102PN2006PLC021839

Statement of Cash Flows for the year ended March 31, 2021

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash Flow From Operating Activities</b>			
<b>Profit before income tax</b>		<b>23,673.88</b>	<b>28,198.01</b>
Adjustments for:			
Depreciation and amortisation	24	6,424.30	5,098.81
Finance costs	25	2,325.70	2,446.95
Interest income classified as investing cash flow	21	(71.67)	(229.01)
Provision for doubtful debts written back		-	7,316.75
<b>Operating profit before working capital changes</b>		<b>32,352.21</b>	<b>35,514.76</b>
<b>Change in operating assets and liabilities</b>			
(Increase)/Decrease in inventories		(9.90)	(6.91)
(Increase)/Decrease in trade and other receivables		(2,832.97)	589.83
Increase/(Decrease) in Trade and other Payables		2,819.42	949.72
Increase/(Decrease) in Lease Liability		2,568.94	4,696.65
Increase/(Decrease) in Long Term Provisions		136.60	34.85
Increase/(Decrease) in short Term Provisions		241.33	852.46
Increase/(Decrease) in other liabilities- current		274.32	(112.75)
Increase/(Decrease) in other current financial liabilities		1,805.67	2,169.92
(Increase)/Decrease in other current assets		317.68	(1,221.20)
(Increase)/Decrease in financial assets - Current		(105.99)	210.28
<b>Cash generated from operations</b>		<b>37,567.31</b>	<b>43,677.61</b>
Income taxes paid	18	(4,897.06)	(7,471.87)
<b>Net cash inflow from operating activities</b>		<b>32,670.25</b>	<b>36,205.74</b>
<b>Cash Flow From Investing Activities</b>			
Payments for property, plant and equipment		(31,194.48)	(21,876.55)
Payments for intangible assets		(313.15)	(59.72)
Interest received		166.02	130.28
Proceeds from sale of investments			
(Earmarked and other fixed deposits)		3,691.22	(3,748.97)
Proceeds from sale of investments (Security deposits)		(29.14)	(220.07)
<b>Net cash outflow from investing activities</b>		<b>(27,679.53)</b>	<b>(25,775.03)</b>





**Maharashtra Natural Gas Limited**

CIN: U11102PN2006PLC021839

Statement of Cash Flows for the year ended March 31, 2021

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash Flow From Financing Activities</b>			
Proceeds from long term borrowings (Net)	12	5,089.91	(7,383.00)
Interest paid		(2,325.70)	(2,446.95)
Dividend paid (including tax on dividend)	30	<b>(6,000.00)</b>	<b>(3,181.90)</b>
<b>Net cash inflow from financing activities</b>		<b>(3,235.79)</b>	<b>(13,011.85)</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>1,754.93</b>	<b>(2,581.14)</b>
Cash & cash equivalents as at beginning of the year		1,310.38	3,891.52
<b>Cash &amp; cash equivalents as at end of the year</b>	<b>9</b>	<b>3,065.31</b>	<b>1,310.38</b>

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

As per our report of even date attached

**For M/s SUN SVG & ASSOCIATES**

Chartered Accountants

Firm Registration Number: 118693W

**For and on behalf of the Board of Directors of**

Maharashtra Natural Gas Limited

Sd/-

**CA Satish Nade**

Partner

Membership No : 102758

UDIN : 21102758AAAABA3062

Sd/

**Deepak Sawant**

Managing Director

DIN: 07339381

Sd/-

**Sanjay Sharma**

Director (Commercial)

DIN: 09025971

Sd/-

**Sarathy M K**

Chief Financial Officer

Sd/-

**Shreya Prabhudesai**

Company Secretary

A48866

Date : 22/05/2021

Place : Pune







## Maharashtra Natural Gas Limited

Notes to the financial statements

### Company Information

"Maharashtra Natural Gas Limited ('MNGL') is a Company incorporated in January 2006 to meet the City Gas distribution needs of Pune and adjoining areas. MNGL has got authorisation from Petroleum and Natural Gas Regulatory Board (PNGRB) for city gas distribution in Pune & Pimpri-Chinchwad city including adjoining areas of Hinjewadi, Chakan & Talegaon. In the 9th round of CGD bidding, MNGL has acquired 3 new geographical areas and is spreading its network in other districts of Maharashtra like Nasik, Dhule, Sindhadurga, In Gujarat (part Valsad) and Ramanagara in Karnataka. MNGL is a joint venture Company of two Maharashtra PSUs viz. Bharat Petroleum Corporation Limited (BPCL) and GAIL (India) Limited, with the mission to supply clean and green (eco-friendly) fuel. Main business objectives of the company are as under:-

- To provide clean, environment friendly green fuel as an alternative to the conventional auto fuels like Petrol and Diesel
- To provide safe, convenient and reliable piped natural gas to its customers in the domestic, commercial and industrial sectors.
- Transport sector uses Compressed Natural Gas (CNG) and domestic, commercial and industrial sectors use Piped Natural Gas (PNG).
- Gas procurement is done from GAIL (India) Limited and other suppliers through Gas Sale Agreement.
- The financial statements are approved for issue by the Company's Board of Directors on 22 May, 2021."

### Note 1: Significant accounting policies

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

#### a) Basis of preparation

##### (i) Compliance with Ind AS

"These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, by the Ministry of Corporate Affairs and other relevant provisions of the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set

out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities."

##### (ii) Historical Cost Convention

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

#### b) Segment reporting

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

#### c) Foreign currency transactions and translation

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

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

iii. **Treatment of Exchange Difference** : Exchange differences that arise on settlement of monetary items or on reporting





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

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

#### d) Revenue Recognition

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

#### e) Income Tax

"The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to

unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively."

#### f) Leases

- (a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in the standalone financial statements.
- (b) Transition Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and recognised at the date of initial application:
- a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for leases as on 31 March 2019; and





**b) Right-of-use asset at an amount equal to the lease liability.**

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.5% p.a. with maturity between 2020 - 2051.

As a Lessee

**c) Identifying a lease**

At the inception of the contract, the Company assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease 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 assesses whether:

- The contract involves the use of an identified asset, specified explicitly or implicitly.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset."

**d) Recognition and subsequent measurement of right of use asset** The Company recognises a right of use asset and lease liability at the lease commencement date. In case of contract for wet lease of booster compressors, recognition is made at the date of compression and Dispensing of CNG as per terms of contract. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received. Contract with Pune Mahanagar Parivahan Mahamandal Limited (PMPML) towards compensation of Rs. 1.2 Per Kg has not been considered under IND AS 116 as the compensation involved is variable in nature.

**e) Short-term leases**

The Company has elected by class of underlying asset not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. (f) Separating components of a contract. As a practical expedient, the Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**(f) Separating components of a contract**

As a practical expedient, the Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**g) Determination of discount rate as a lessee**

Company estimates the discount rate based on its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment."

**h) Amounts recognised in balance sheet and statement of profit and loss :**

The balance sheet shows the following amounts relating to leases:

Right of use asset (\*Refer Note No. 3)

Particulars	Amount in Rs. Lakhs
Balance as at 1 April 2020	4,534.15
Add: Additions	3,201.70
Less: Depreciation charged on the right-of-use assets	1,249.73
<b>Balance as at 31 March 2021</b>	<b>6,486.12</b>

Lease Liability (\*Refer note no 13)

Particulars	Amount in Rs. Lakhs
Balance as at 1 April 2020	4,696.65
Add: Additions	3,201.70
Add: Lease Interest	702.64
Less: Lease payments made during the year	1,335.40
<b>Balance as at 31 March 2021</b>	<b>7,265.59</b>

Depreciation and interest expense (\*Refer Note No 24 and 25)

	Amount in Rs. Lakhs	
	Depreciation	Interest
On account of initial recognition as on 01.04.2019	-	-
Additions during the year	1,249.73	702.64
<b>Total</b>	<b>1,249.73</b>	<b>702.64</b>

**Lease payments not recognised as lease liabilities:**

Particulars	Year ended 31 March 2021
Expenses relating to short term leases	110.49
<b>Total</b>	<b>110.49</b>





### (g) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets. For assets previously revalued with the revaluation taken to Other Comprehensive Income (the `OCI'), the impairment is recognised in OCI up to the amount of any previous revaluation.

### (h) Cash and Cash Equivalents

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

### (i) Trade Receivables

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

### (j) Inventories

"Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

- i) Finished stocks are valued at cost of manufacturing/ purchase or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- ii) Raw materials are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- iii) Cushion gas is the volume of gas that is required in an underground storage field/ pipeline network to maintain minimum field pressure. This cushion gas(or base gas) is

not available for withdrawal unless replaced with immiscible injecting to maintain field pressure. Considering this nature it is inherent part of the plant property and equipment, (pipeline capitalized). The cushion gas is depreciated to its residual value over the life of the storage facility / pipeline in accordance with of Ind AS 16. For the financial year 2020-21, management has concluded that the value of cushion gas is not material and has not been capitalized to PPE."

### (k) Financial Instruments

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

#### Financial assets

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

#### Debt instruments

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

#### - Amortized cost:

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

#### - Fair Value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest



revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**- Fair value through profit or loss (FVTPL):**

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

**Impairment of financial assets**

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

**Derecognition of financial assets**

**"A financial asset is derecognized only when:**

The company transferred the rights to receive cash flows from the financial asset or-

Retains contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset."

**Income recognition**

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

**Financial liability**

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

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

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

**Derecognition**

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

**Reclassification of financial instruments**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the





business model are expected to be infrequent. If the company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

**Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(I) Property, Plant and equipment**

- (i) Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates are adjusted in arriving at the cost of the assets and costs recovered from the customers towards the cost of assets are recognised as revenue on date of capitalisation of respective assets.
- (ii) In line with practice followed by other City Gas Distribution companies, considering the complexity and voluminous data in respect of Domestic connections, details in the fixed asset register are captured to the extent of pipe size, area /route, restoration charges, laying charges and other major costs to bring the asset into commissioning stage.
- (iii) Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to company.
- (iv) Expenditure incurred during the period of construction including all direct and indirect expenses, incidental to construction are carried forward and on completion, the costs are allocated to the respective fixed assets.
- (v) Gas distribution systems are commissioned on commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on an estimated basis pending receipt of final bills from the Contractors, and is subject to adjustment in cost and

depreciation in the year of final settlement.

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

**"Depreciation Method, estimated useful lives and residual value"**

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

In compliance with Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2008, design life of pipeline laid for CGD segment is 25 years. Therefore, useful life of Pipeline (under plant and machinery) has been considered different than useful life mentioned under schedule II of the Companies Act, 2013. MNGL Board vide resolution dtd. March 23, 2016, has changed life of pipeline to 25 years instead of 30 years as prescribed under schedule II of the Companies Act, 2013 and hence revised useful life of assets are as under :

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





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

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

Net Residual Value is considered as Rs. NIL.

#### **(m) Intangible assets**

##### **Computer Software**

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

#### **(n) Borrowings**

"Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been distinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial

statements for issue, not to demand payment as a consequence of the breach."

#### **(o) Borrowing Costs**

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

#### **(p) Provisions and Contingent liabilities**

"Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Contingent liability is disclosed for: • Possible obligations which will be confirmed only by future events not wholly within the control of the Company or • Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed."

#### **(q) Employee benefits**

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.





## (ii) Other long-term employee benefit obligations

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

## (iii) Post-employment obligations

The company operates the following post-employment schemes:

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

## Gratuity Obligations

"In case of Gratuity provisioning, MNGL has availed Group Gratuity Plan and Annual Contributions are paid to LIC on renewal date. Provision has been made as per Actuarial Report from FY 2020-21. The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost."

Prepaid contributions are recognised as an asset for termination benefits.

## Defined Contribution plan

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

## (r) Dividends

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

## (s) Earnings per share

(i) Basic earnings per share Basic earnings per share is calculated by dividing:

- (a) The profit attributable to equity shareholders
- (b) By the weighted average number of equity shares outstanding during the financial year (note 36)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- (a) The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- (b) The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

## (t) Rounding off amounts

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

## (u) Previous year figures

Previous year figures have been regrouped wherever necessary.

## (v) Security Deposit from Domestic customers:

In case of Domestic Customers, Security Deposit for non-scheme customers is considered as receivable on accrual basis. In case of any disconnections, provision is made for the net outstanding amount after adjusting Security Deposit.







**(w) Capitalization of Salary pertaining to Project Staff:**

"The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property, plant and equipment on completion of project. Salary pertaining to Project Staff Rs.478.30 Lakhs (previous year Rs. 91.21 Lakhs) attributable to PPE has been capitalized (Refer Note No.3)"

**(x) Cash Flows**

Cash Flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**(y) Impact of COVID-19**

The Ministry of Home Affairs vide order No.4-3/2020 dated 24.03.2020 notified natural gas supply among the essential services which continued to operate within the lockdown period in the crisis situation of COVID 19. However, owing to reduction in demand due to restrictions in vehicular movement, the CNG sales were impacted. Similarly demand from Industrial and commercial customers were also impacted due to lockdown. The Company has evaluated the possible effects on the carrying amounts of financial assets including receivables and unbilled revenue. The Company expects to recover the carrying amount of these assets. 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.





## Maharashtra Natural Gas Limited

Notes to the financial statements

### Note 2: Critical Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The management continually evaluates these estimates and assumptions based on the most recently available information.

#### Estimates and assumptions

In particular, information about significant areas of estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

1. Financial instruments;
2. Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
3. Valuation of inventories;
4. Measurement of recoverable amounts of cash-generating units;
5. Measurement of Defined Benefit Obligations and actuarial assumptions;
6. Provisions;
7. Evaluation of recoverability of deferred tax assets; and
8. Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

#### Segment reporting :

Ind-AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources. The Management has determined that the Company operates in a single segment of city gas selling and distribution in Pune and adjoining areas and as whole business activity exhibit similar economic characteristics and meet other aggregation criteria and accordingly there are no separate reportable segments identified.



## Maharashtra Natural Gas Limited

CIN: U11102PN2006PLC021839

Statement of changes in equity for the year ended March 31,2021

(All Figures in Rupees Lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	Notes	Amount
<b>As at April 01,2019</b>		10,000.00
Changes in equity share capital	11(a)	-
<b>As at March 31,2020</b>		10,000.00
Changes in equity share capital	11(a)	-
<b>As at March 31,2021</b>		10,000.00

### (B) Other equity

Particular		Reserves & Surplus	
		Retained Earnings	Total
As at April 1, 2019	11(b)	42,096.74	42,096.74
Profit for the year		22,332.83	22,332.83
Other Comprehensive Income		-	-
<b>Total comprehensive income for the year</b>		<b>64,429.57</b>	<b>64,429.57</b>
Transaction with owners in their capacity as owners:			
Dividends Paid		(3,181.90)	(3,181.90)
<b>As at March 31, 2020</b>		<b>61,247.67</b>	<b>61,247.67</b>

Particular		Reserves & Surplus	
		Retained Earnings	Total
<b>As at April 1, 2020</b>	<b>11(b)</b>	<b>61,247.67</b>	<b>61,247.67</b>
Profit for the year		17,297.90	17,297.90
Other Comprehensive Income		-	-
<b>Total comprehensive income for the year</b>		<b>78,545.57</b>	<b>78,545.57</b>
Transaction with owners in their capacity as owners:			
Dividends Paid		(6,000.00)	(6,000.00)
<b>As at March 31,2021</b>		<b>72,545.57</b>	<b>72,545.57</b>



**Maharashtra Natural Gas Limited**

Notes to the financial statements

**Note 3 : Property, plant and equipment**

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Freehold Land	Buildings	Lease Asset	Plant and Machinery - I *	Plant and Machinery - II #	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Year Ended March 31, 2020</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	1,425.47	81.38	-	71,583.63	6,654.16	189.31	99.03	147.62	4.06	80,184.65	22,126.08
Additions (Including Borrowing Cost)	-	-	5,158.29	24,171.24	1,610.49	17.85	14.84	17.24	-	30,989.95	16,894.91
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(25,781.73)
<b>Gross carrying amount as on March 31, 2020</b>	<b>1,425.47</b>	<b>81.38</b>	<b>5,158.29</b>	<b>95,754.87</b>	<b>8,264.65</b>	<b>207.16</b>	<b>113.87</b>	<b>164.86</b>	<b>4.06</b>	<b>1,11,174.60</b>	<b>13,239.26</b>
<b>Accumulated Depreciation and impairment</b>											
Opening accumulated depreciation	-	5.56	-	10,289.09	1,868.49	92.87	46.77	64.06	2.19	12,369.03	-
Depreciation charge during the year	-	1.39	624.14	3,634.83	713.17	47.61	14.06	15.52	0.55	5,051.27	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation and impairment</b>	<b>-</b>	<b>6.95</b>	<b>624.14</b>	<b>13,923.92</b>	<b>2,581.66</b>	<b>140.48</b>	<b>60.83</b>	<b>79.59</b>	<b>2.73</b>	<b>17,420.30</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>1,425.47</b>	<b>74.43</b>	<b>4,534.15</b>	<b>81,830.95</b>	<b>5,682.99</b>	<b>66.68</b>	<b>53.04</b>	<b>85.27</b>	<b>1.33</b>	<b>93,754.30</b>	<b>13,239.26</b>

**Maharashtra Natural Gas Limited**

Notes to the financial statements

**Note 3 : Property, plant and equipment**

(All Figures in INR Lakhs, unless otherwise stated)

Particulars	Freehold Land	Buildings	Lease Asset	Plant and Machinery - I*	Plant and Machinery - II #	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Year ended March 31, 2021</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	1,425.47	81.38	5,158.29	95,754.87	8,264.65	207.16	113.87	164.86	4.06	1,11,174.60	13,239.26
Additions (Including Borrowing Cost)	-	-	3,201.70	5,552.19	2,009.94	3.27	25.28	45.53	-	10,837.91	29,401.22
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(7,248.57)
<b>Gross carrying amount as on March 31, 2021</b>	<b>1,425.47</b>	<b>81.38</b>	<b>8,359.99</b>	<b>1,01,307.06</b>	<b>10,274.59</b>	<b>210.43</b>	<b>139.15</b>	<b>210.39</b>	<b>4.06</b>	<b>1,22,012.51</b>	<b>35,391.91</b>
<b>Accumulated Depreciation and impairment</b>											
Opening accumulated depreciation	-	6.95	624.14	13,923.92	2,581.66	140.48	60.83	79.59	2.73	17,420.30	-
Depreciation charge during the year	-	1.39	1,249.73	4,071.63	935.39	38.21	14.48	17.18	0.55	6,328.56	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation and impairment</b>	<b>-</b>	<b>8.34</b>	<b>1,873.87</b>	<b>17,995.55</b>	<b>3,517.05</b>	<b>178.69</b>	<b>75.31</b>	<b>96.76</b>	<b>3.28</b>	<b>23,748.86</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>1,425.47</b>	<b>73.04</b>	<b>6,486.12</b>	<b>83,311.51</b>	<b>6,757.53</b>	<b>31.73</b>	<b>63.84</b>	<b>113.63</b>	<b>0.78</b>	<b>98,263.65</b>	<b>35,391.91</b>

(i) Refer to note 37 for information on property, plant and equipment pledged as security by the company.

(ii) Contractual Obligations : Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress mainly comprise Pipeline-Steel/MDPE, CNG Stations, Restoration charges and Stores &amp; Spares lying in godown and at vendor locations.

(iv) The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property, plant and equipment on completion of project. The Company has transferred amount of salary amounting to Rs. 478.30 Lakhs (previous year Rs. 91.21 Lakhs ) to the cost of capital work-in-progress.

\* - P &amp; M I - Plant &amp; Machinery excludes Compressors.

# - P &amp; M II - Includes Compressors only.





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 4: Intangible assets

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

Particulars	Computer Software
<b>Year ended March 31, 2020</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as on '01 April 2019	704.59
Additions	107.25
Disposals	-
<b>Closing gross carrying amount</b>	<b>811.84</b>
<b>Accumulated amortisation</b>	
<b>Opening accumulated amortisation</b>	661.55
Amortisation charge for the year	47.53
<b>Closing accumulated amortisation</b>	<b>709.08</b>
<b>Closing net carrying amount</b>	<b>102.76</b>
<b>Year ended 31 March 2021</b>	<b>Computer Software</b>
Gross carrying amount	
Opening gross carrying amount as on '01 April 2020	811.84
Additions	400.46
<b>Closing gross carrying amount</b>	<b>1,212.30</b>
<b>Accumulated amortisation and impairment</b>	
Opening accumulated amortisation	709.08
Amortisation charge for the year	87.31
<b>Closing accumulated amortisation and impairment</b>	<b>796.39</b>
<b>Closing net carrying amount</b>	<b>415.91</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 5: Other financial assets

Particulars	As at March 31,2021	As at March 31,2020
Non-current		
-Security deposit	567.78	538.64
Earmarked fixed deposits	951.75	814.72
(Under lien against bank guarantees)		
	1,519.53	1,353.36
Current		
Other fixed deposits	-	3,828.25
Interest receivable	40.59	134.95
Unbilled revenue	502.23	396.23
	542.82	4,359.42
<b>Total</b>	<b>2,062.35</b>	<b>5,712.78</b>

The company has pledged its earmarked fixed deposits to fulfill collateral requirements.

### Note 6: Other non-current assets

Particulars	As at March 31,2021	As at March 31,2020
Capital advances	134.04	59.72
<b>Total</b>	<b>134.04</b>	<b>59.72</b>

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

### Note 7: Inventories

Particulars	As at March 31,2021	As at March 31,2020
Finished goods (at lower of cost and net realisable value)	46.22	36.33
<b>Total</b>	<b>46.22</b>	<b>36.33</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 8: Trade Receivables

Particulars	As at March 31,2021	As at March 31,2020
Trade receivables	11,677.32	8,678.10
Receivables from related parties	476.81	643.06
Less: Allowance for doubtful debts	(2,116.85)	(2,116.85)
<b>Total receivables</b>	<b>10,037.28</b>	<b>7,204.32</b>
<b>Break-up of trade receivables</b>		
- Trade receivables considered Good-secured	5,321.96	3,099.94
- Trade receivables considered Good-Unsecured	4,715.32	4,104.38
- Trade receivables considered which have significant increase in credit risk	2,116.85	2,116.85
- Trade receivables credit impaired	-	-
Total	12,154.13	9,321.17
Less: Allowance for doubtful debts	(2,116.85)	(2,116.85)
<b>Total trade receivables</b>	<b>10,037.28</b>	<b>7,204.32</b>

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

### Note 9: Cash and cash equivalents

Particulars	As at March 31,2021	As at March 31,2020
Balances with banks		
- in current accounts	3,051.11	1,309.77
Cash on hand	14.21	0.61
<b>Total</b>	<b>3,065.31</b>	<b>1,310.38</b>

### Note 10: Other Current assets

Particulars	As at March 31,2021	As at March 31,2020
<b>Unsecured considered good</b>		
Advance to supplier and employees	7.88	11.22
Receivable from revenue authorities		
- Cenvat recoverable	23.29	42.78
- VAT recoverable	28.83	56.09
- Balance with income tax	80.96	286.16
Prepaid expenses	56.54	324.13
<b>Total</b>	<b>197.50</b>	<b>720.38</b>







## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 11: Equity share capital and other equity

#### 11 (a) : Equity share capital

##### Authorised equity share capital:

Particulars	Number of shares (in lakhs)	Amount
As at '01 April 2019	1,000.00	10,000.00
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>1,000.00</b>	<b>10,000.00</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>1,000.00</b>	<b>10,000.00</b>

##### (i) Movements in equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at '01 April 2019	1,000.00	10,000.00
Increase during the year	-	-
<b>As at 31 March 2020</b>	<b>1,000.00</b>	<b>10,000.00</b>
Increase during the year	-	-
<b>As at 31 March 2021</b>	<b>1,000.00</b>	<b>10,000.00</b>

##### Terms/ rights attached to equity shares

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

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares (in lakhs)	% Holding	No. of shares (in lakhs)	% Holding
GAIL (India) Limited	224.88	22.49	224.88	22.49
Bharat Petroleum Corporation Ltd. (BPCL)	225.00	22.50	225.00	22.50
Indraprastha Gas Limited	500.00	50.00	500.00	50.00





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 11: Equity share capital and other equity

#### 11 (b) : Reserves and surplus

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	72,545.57	61,247.67
<b>Total reserves and surplus</b>	<b>72,545.57</b>	<b>61,247.67</b>

#### (i) Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance (as previously reported)	61,247.67	42,096.74
Net profit for the period	17,297.90	22,332.83
	78,545.57	64,429.57
Items of other comprehensive income recognised directly in retained earnings		
Dividends on equity shares	(6,000.00)	(2,640.00)
Tax on dividend (Exp)	-	(541.90)
<b>Closing balance</b>	<b>72,545.57</b>	<b>61,247.67</b>
<b>Total reserves and surplus</b>	<b>72,545.57</b>	<b>61,247.67</b>



## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 12 : Non- current borrowings

Particulars	Maturity Date	Terms of Repayment	Coupon or Interest rate	March 31, 2021	March 31,2020
Secured					
<b>Term loan</b>					
From bank					
Rupee loan from state bank of india	31-Dec-22	Refer note below*	At MCLR **	8,029.52	12,070.25
HDFC bank sec rupee term loan from bank	25-Jul-25		At MCLR **	9,052.74	10,066.67
Bank of Baroda sec rupee term loan	30-Sep-33		At MCLR **	10,152.97	-
<b>Total borrowings</b>				<b>27,235.23</b>	<b>22,136.92</b>
Less: Current maturities of long-term debt				6,008.00	5,508.00
(included in note 13)					
Less: Interest accrued (included in note 13)				161.32	152.92
<b>Non-current borrowings (as per balance sheet)</b>				<b>21,065.91</b>	<b>16,476.00</b>

#### Non current borrowings :

##### Security :

- \* SBI - Exclusive first charge on fixed Assets (moveable and immovable) of the company, both present and future.
- HDFC - Pari-passu charge on the fixed assets (moveable and immovable) of the company, both present and future except current assets where working capital vendors will have charge.
- BOB - Pari-passu charge on the fixed assets (moveable and immovable) of the company, both present and future pertaining to 3 GA's except current assets where working capital vendors will have charge.
- BOM - Exclusive charge on hypothecation of Receivables with minimum margin of 10%"

##### Terms of Repayment :

- i. SBI - Quarterly instalment of Rs. 1125 Lakhs each starting from June 30, 2016 onwards and monthly instalment of Rs. 334 Lakhs starting from 1st April 2018.
- ii. HDFC Bank - Quarterly installment of Rs. 500 Lakhs each starting from July 01,2020 onwards.
- iii. BOB - Quarterly installment of Rs. 2788 Lakhs each starting from December 31,2023 onwards."

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

##### Coupon or interest rate :

- \*\* In case of SBI at MCLR with annual reset
- \*\* In case of HDFC bank, MCLR with monthly reset
- \*\* In case of BOB, MCLR with annual reset"





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 13 : Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Lease liability	7,265.59	4,696.65
<b>Total</b>	<b>7,265.59</b>	<b>4,696.65</b>
<b>Current</b>		
Current maturities of long-term borrowings (note 12)	6,008.00	5,508.00
Interest accrued	161.32	152.92
Deposits (earnest money deposit)	233.32	190.39
Capital creditors	4,229.32	2,263.18
Employee related payables	515.47	354.01
Security deposit	1,300.79	1,180.19
Security deposit from customers	10,205.43	8,733.14
Total	22,653.65	18,381.84
<b>Total</b>	<b>29,919.24</b>	<b>23,078.49</b>

### Note 14 : Provisions

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
(A) Provisions for employee benefits				
Leave Obligations (i)	58.50	248.01	42.81	179.25
Gratuity (ii)*	-	72.87	19.82	5.04
Provision for expense	1,065.48	-	820.01	-
	<b>1,123.98</b>	<b>320.88</b>	<b>882.65</b>	<b>184.28</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 15 : Employee benefit obligations

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligations (i)	58.50	248.01	306.51	42.81	179.25	222.06
Gratuity (ii)*	-	72.87	72.87	19.82	5.04	24.86
<b>Total employee benefit obligations</b>	<b>58.50</b>	<b>320.88</b>	<b>379.38</b>	<b>62.63</b>	<b>184.29</b>	<b>246.92</b>

\*In case of Actuarial valuation in respect of gratuity, in the current financial year i.e. FY 2020-21 all the valuation is taken considering Actuarial report submitted by an independent agency other than LIC. Payment towards the fund for gratuity is made on the basis of valuation submitted by LIC.

#### (i) Leave obligations

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

Amount of provision of Rs. 84.45 lakhs (March 31, 2020 - Rs. 47.47 lakhs ) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the the next 12 months.

Particulars	March 31, 2021	March 31, 2020
Non current leave obligation not expected to be settled within the next 12 months	248.01	179.25
Particulars	March 31, 2021	March 31, 2020
Current leave obligation expected to be settled within the next 12 months	58.50	42.81

#### (ii) Post-employment obligations

##### (a) Gratuity:

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded plan and the company makes contributions to recognised funds in India viz. LIC of India. The expense recognised during the period towards defined contribution plan as per actuarial report is Rs. 48.02 Lakhs (March 31, 2020 - Rs. 19.82 Lakhs).

#### (iii) Defined contribution plans

The company also has certain defined contribution plans. Contributions made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.





## Maharashtra Natural Gas Limited

### Notes to the financial statements

The net liability disclosed above relates to funded and unfunded plans as per actuarial valuation is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation	229.91	306.51	168.88	222.06
Fair value of plan assets	157.04	-	144.02	-
Net deficit/(surplus)	72.87	306.51	24.86	222.06

#### (iv) Post employment benefits (Gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate	6.30%	6.30%	6.50%	6.50%
Annual increase in salary	6.00%	6.00%	6.00%	6.00%
Mortality table referred	IALM (2012-14) ultimate	IALM (2012-14) ultimate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Age withdrawal rate %	15.00%	15.00%	15.00%	15.00%

#### (v) Sensitivity analysis

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

#### Leave encashment

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

Discount rate	March 31, 2021 Defined benefit obligation (Rupees in Lakhs)
5.30%	322.41
7.30%	291.97

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

Salary increment rate	March 31, 2021 Defined benefit obligation (Rupees in Lakhs)
5.00%	294.57
7.00%	319.29

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

Availment rate	March 31, 2021 Defined benefit obligation (Rupees in Lakhs)
Decrease by 1%	296.31
Increase by 1%	315.99





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 16 : Deferred tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>DEFERRED TAX LIABILITIES</b>		
Opening Balance	5,190.19	6,476.64
Adjustment pertaining to previous periods	(687.87)	(687.87)
	<b>4,502.32</b>	<b>5,788.77</b>
<b>DEFERRED TAX ASSETS</b>		
Impact of Expenditure charged to P&L in the current period but allowed for tax calculations on payment basis:		
Deferred Tax (Assets) / Liabilities	1,348.85	(1,286.45)
Deferred Tax (Assets) / Liabilities	<b>1,348.85</b>	<b>(1,286.45)</b>
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>5,851.17</b>	<b>4,502.32</b>

### Note 17: Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables	3,961.15	2,671.16
Trade payables to related parties	3,634.91	2,105.48
<b>Total</b>	<b>7,596.06</b>	<b>4,776.64</b>

### Note 18: Tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>	-	-
Total	-	-
<b>Current year movement</b>		
Opening balance -	558.61	1,855.73
Current tax payable for the year	5,074.87	6,505.24
Adjustment of tax relating to earlier period	-	(1,167.86)
Less: Taxes paid	(5,150.00)	(6,634.50)
<b>Closing balance</b>	<b>483.48</b>	<b>558.61</b>

### Note 19: Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Tax deducted at source payable	128.93	87.28
Balance payable to government authorities	263.22	84.99
Advance from customers	315.74	261.30
<b>Total other current liabilities</b>	<b>707.89</b>	<b>433.57</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 20 : Revenue from operations

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of products (inclusive of excise duty)	78,827.43	1,05,859.73
	78,827.43	1,05,859.73
<b>Other operating revenue</b>		
Application fees	126.96	190.54
Other operating revenue	837.53	940.08
Recoveries from customers	197.72	378.81
	1,162.21	1,509.43
<b>Total revenue from continuing operations</b>	<b>79,989.64</b>	<b>1,07,369.16</b>

### Note 21 : Other income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income from Bank deposits	51.52	225.24
Income-interest on other deposits	20.14	3.76
<b>Total other income</b>	<b>71.67</b>	<b>229.01</b>

### 22 (a) Purchase of natural gas

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Natural gas cost	33,012.99	52,838.04
<b>Total cost of natural gas purchase</b>	<b>33,012.99</b>	<b>52,838.04</b>

### 22 (b) Change in inventories of stock-in-trade

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Opening stock</b>		
Stock-in-trade	36.33	29.42
	<b>36.33</b>	<b>29.42</b>
Less: Closing stock		
Stock-in-trade	46.22	36.33
	<b>46.22</b>	<b>36.33</b>
<b>Total</b>	<b>(9.89)</b>	<b>(6.91)</b>







## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 23 : Employee benefits expense

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages and bonus		1,237.70	1,444.02
Secondment expenses		191.19	244.95
Contribution to provident and other funds		112.72	101.61
Gratuity expense	15	58.76	24.22
Leave compensation	15	93.55	71.76
Staff welfare expenses		31.76	25.19
<b>Total</b>		<b>1,725.67</b>	<b>1,911.77</b>

### Note 24 : Depreciation and amortization expense

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of property, plant and equipment	3	6,336.99	5,051.27
Amortization of intangible assets	4	87.31	47.53
<b>Total</b>		<b>6,424.30</b>	<b>5,098.81</b>

### Note 25 : Finance costs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on borrowing	1,506.79	1,962.21
Bank charges	116.27	82.82
Interest other than borrowing*	702.64	401.92
<b>Total</b>	<b>2,325.70</b>	<b>2,446.95</b>

\* This is Lease interest

### Note 26 : Other expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Consumption of Fuel</b>	<b>1,033.67</b>	<b>2,113.45</b>
Power and fuel	685.08	1,192.56
Captive consumption	348.59	920.89
<b>Administrative expenses</b>	<b>1,998.89</b>	<b>1,788.57</b>
Repairs & maintenance (General)	5.82	5.97
Vehicle hiring charges	114.65	150.28
Annual day & other events expenses	57.04	94.06





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Subscription / membership fees (journal/recreations, etc.)	55.28	13.81
Statutory charges & taxes (rates & taxes)	104.71	326.11
Profit or Loss on sale of assets	8.55	-
General expenses	0.03	0.16
News paper & periodicals	0.90	0.31
Rent for office, warehouse, CNG stations, etc.	138.12	99.59
Insurance (assets, health, etc.)	73.30	31.34
Legal expenses	61.61	10.31
Postage & courier exp. and telephone exp.	44.39	41.16
Recruitment expenses	2.49	6.76
Professional fees	126.08	143.11
Printing & stationery	25.67	32.86
Security agency expenses	125.64	113.77
Training and seminar expenses	2.34	6.43
Safety expenses	12.44	27.82
House keeping expenses	61.45	60.66
Conference expenses (board meeting expenses)	1.22	2.74
Director sitting fees	13.69	11.36
Travelling expenses	33.61	68.87
Stores and spares consumed	3.18	7.23
Corporate social responsibility (CSR)	430.44	178.90
SAP support costs	496.24	353.11
Net foreign exchange (gains)/Loss	-	1.86
<b>Selling &amp; distribution expenses</b>	<b>547.20</b>	<b>722.76</b>
Advertisement exps. /business & sales promotion Exp	125.71	115.90
CNG cascade transport charges	286.22	433.90
Marketing expenses (DMA charges)	135.26	172.96
<b>Operations and maintenance expenses</b>	<b>3,902.90</b>	<b>3,438.04</b>
Operations and maintenance expenses CNG	3,223.34	2,897.14
Operations and maintenance expenses PNG	679.56	540.90
<b>Total expenses</b>	<b>7,482.66</b>	<b>8,062.82</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 26 (a) : Details of payment to auditors

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Payment to auditors		
<b>As auditor:</b>		
Audit fee	12.51	8.85
<b>Total payments to auditors</b>	<b>12.51</b>	<b>8.85</b>

### Note 26 (b) : Corporate social responsibility expenditure

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contribution to skill development	49.11	11.66
Health awareness	114.95	69.49
Contribution to rural sport and women empowerment	19.18	17.51
Contribution to education program	47.20	80.24
Contribution to PM CARES Fund	200.00	-
<b>Total</b>	<b>430.44</b>	<b>178.90</b>
<b>Amount required to be spent as per section 135 of the act</b>	<b>441.15</b>	<b>329.13</b>
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	430.44	178.90

### Note 27: Income tax expense

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Income tax expense		
Current tax		
Current tax on profits for the year	5,074.87	6,505.24
Previous year tax	(47.74)	646.38
<b>Total current tax expense</b>	<b>5,027.13</b>	<b>7,151.62</b>
Deferred tax	1,348.85	(1,286.45)
<b>Total deferred tax expense/(benefit)</b>	<b>1,348.85</b>	<b>(1,286.45)</b>
Income tax expense	6,375.98	5,865.17
Income tax expense is attributable to:	<b>6,375.98</b>	<b>5,865.17</b>
<b>Profit from continuing operations</b>		





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 28: Fair value measurements

Financial instruments by category

Particulars	March 31,2021			March 31,2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	-	10,037.28	-	-	7,204.32
Cash and cash equivalents	-	-	3,065.31	-	-	1,310.38
Security deposits	-	-	567.78	-	-	538.64
Earmarked fixed deposits	-	-	951.75	-	-	814.72
Other fixed deposits	-	-	-	-	-	3,828.25
Interest receivable	-	-	40.59	-	-	134.95
Unbilled revenue	-	-	502.23	-	-	396.24
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>15,164.95</b>	<b>-</b>	<b>-</b>	<b>14,227.50</b>
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	27,235.23	-	-	22,136.92
Security deposits	-	-	1,300.79	-	-	1,180.19
Security deposit from customers	-	-	10,205.43	-	-	8,733.14
Earnest money deposits	-	-	233.32	-	-	190.39
Capital creditors	-	-	4,229.32	-	-	2,263.18
Trade payables	-	-	7,596.06	-	-	4,776.64
Employee related payables	-	-	515.47	-	-	354.01
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>51,315.63</b>	<b>-</b>	<b>-</b>	<b>39,634.47</b>

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





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 29 : Financial risk management

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

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

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

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

#### A) Foreign currency risk

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

##### Foreign currency sensitivity

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

#### B) Credit risk

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

##### (i) Credit risk management

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

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





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

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

### (ii) Provision for expected credit loss

Financial assets for which loss allowance is measured using Lifetime expected credit losses (ECL)

Exposure to risk	March 31,2021	March 31,2020
Trade receivables	12,154.13	9,321.17

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

Ageing analysis	March 31,2021	March 31,2020
Upto 3 months	8,418.57	5,811.61
3 to 6 months	565.28	303.56
6 months to 1 year	599.11	566.58
More than 1 year	2,571.17	2,639.41

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

### (iii) Reconciliation of loss allowance provision - Trade receivables

	March 31,2021	March 31,2020
<b>Loss allowance Opening Balance</b>	<b>2,116.85</b>	<b>1,931.14</b>
Provided during the year	(0.00)	185.71
<b>Loss allowance Closing Balance</b>	<b>2,116.85</b>	<b>2,116.85</b>

## C) Liquidity risk

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

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

### (i) Financing arrangements

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





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	March 31,2021	March 31,2020
Floating rate		
- Expiring within one Year (bank overdraft and other facilities)	2,500	-

### (ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
<b>March 31,2021</b>		
Borrowings	6,008.00	21,227.23
Trade payables	4,063.55	3,532.51
Other financial liabilities	7,173.04	16,576.88
<b>Total financial liabilities</b>	<b>17,244.59</b>	<b>41,336.62</b>

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year
<b>March 31,2020</b>		
Borrowings	5,508.00	16,476.00
Trade payables	3,702.47	1,074.18
Other financial liabilities	4,658.15	8,062.76
<b>Total financial liabilities</b>	<b>13,868.62</b>	<b>25,612.94</b>

### Note 30: Capital management

#### (a) Risk management

The company's objectives when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

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





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

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

Particulars	March 31, 2021	March 31, 2020
Net debt	24,169.92	20,826.54
Total equity	82,545.57	71,247.67
	<b>1,06,715.48</b>	<b>92,074.22</b>
Net debt to equity + debt ratio	22.65%	22.62%

### i) Loan Covenants

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

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

Particulars	2020-21	2019-20
Current ratio	0.43	0.54
TOL/TNW	0.81	0.71
PBDIT/Int.	13.94	14.61
G.DSCR	5.26	6.31
ROCE	27.70	36.81

### (b) Dividends

Particulars	March 31, 2021	March 31, 2020
(i) Equity shares Final dividend for the year ended March 31, 2020 of Rs. 6 (March 31, 2019 - Rs. 2.64) per fully paid share	6,000.00	2,640.00
(ii) Dividends not recognised at the end of the reporting period The directors have recommended the payment of a final dividend of Rs. 6.00 per fully paid equity share (March 31, 2020 - Rs. 6.00). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	6,000.00	6,000.00

### Note 31: Segment information

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







## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 32 : Related party transactions

#### a) Associate entities

The company is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	Ownership interest
			March 31,2021	March 31,2020
GAIL (India) Limited	Associate	India	22.49%	22.49%
Bharat Petroleum Corporation Ltd. (BPCL)	Associate	India	22.50%	22.50%
Indraprastha Gas Limited (IGL)	Associate	India	50.00%	50.00%

#### b) Key Management Personnel of the entity

Details	March 31,2021	March 31,2020
Managing Director - GAIL (India) Limited	S. Halder (upto 5.04.2021)	S. Halder (From 01.05.2019)
Managing Director - GAIL (India) Limited	D. Sawant (From 06.04.2021)	
Director (Commercial) - Bharat Petroleum Corporation Ltd. (BPCL)	S.Sontakke (upto 29.01.2021)	
Director (Commercial) - Bharat Petroleum Corporation Ltd. (BPCL)	S. Sharma (From 30.01.2021)	S. Sontakke

#### c) Transactions with related parties

The following transactions occurred with related parties:

Particulars	March 31,2021	March 31,2020
<b>Indraprastha Gas Limited (IGL)</b>		
Dividend paid	2,775.00	1,320.00
Sitting fees paid	3.89	3.54
<b>Bharat Petroleum Corporation Limited (BPCL)</b>		
Sales and Purchases of goods and services		
Sale of goods to parent entity	7,384.85	11,597.96
Reimbursement of expenses to parent entity	1.29	3.86
Salaries, allowances and other related payments to parent entities	94.37	103.56
Trade margin payable	147.78	739.49
Dividend paid to parent entity	1,248.73	593.99
Sitting fees paid	2.01	1.42





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	March 31,2021	March 31,2020
<b>GAIL (India) Limited</b>		
Sales and Purchases of goods and services		
Purchases of raw material from parent entity	37,775.77	56,898.87
Reimbursement of expenses to parent entity	6.47	13.28
Salaries, allowances and other related payments to parent entities	89.06	124.25
Dividend paid to parent entity	1,248.75	594.00
Training expense	-	0.68
Sitting Fees Paid	2.01	1.18

### d) Outstanding balances arising from sales / purchases of goods and services

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

Particulars	March 31,2021	March 31,2020
<b>Trade payables (purchases of goods and services)</b>		
BPCL	-	-
GAIL	2,267.37	888.99
Indraprastha Gas Limited	-	-
<b>Payables for expenses</b>		
BPCL	33.53	10.21
GAIL	8.46	29.34
Indraprastha Gas Limited	0.83	-
<b>Payable for trade margin</b>		
BPCL	1,324.72	1,176.94
<b>Total payable to related parties (Note 17)</b>	<b>3,634.91</b>	<b>2,105.48</b>

Particulars	March 31,2021	March 31,2020
<b>Trade receivable (sale of goods and services)</b>		
BPCL	476.81	643.06
Provision for doubtful debts	-	-
Expense recognised during the period in respect of bad and doubtful debts	-	-
<b>Total receivable from related parties (Note 8)</b>	<b>476.81</b>	<b>643.06</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### e) Terms and conditions

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

Goods were sold to parent entities during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable in cash.

### Note 33: Contingent liabilities and contingent assets

The company had contingent liabilities at March 31, 2021 in respect of

1. Bank guarantees - Rs. 13997.36 Lakhs (Previous Year Rs. 13655.43 Lakhs)
2. Appeal filed in respect of disputed demands :
  - Sales tax for FY 2009-10 Rs. 35.47 Lakhs net of refund of Rs. 8 Lakhs (Previous Year Rs. 35.47 Lakhs net of refund of Rs. 8 Lakhs)
3. Claims against the company not acknowledged as debt Rs. 130 Lakhs (Previous Year Rs. 130 Lakhs)
4. Appeal filed in respect of disputed demand in GSTAT (previously known as CESTAT):
  - Service tax under RCM for the period July 12 to Mar 18 on restoration charges Rs. 2657.10 Lakhs and penalty of Rs. 2658.21 Lakhs, Total Rs. 5315.31 Lakhs (Previous Year Rs. 5315.31 lakhs)
5. The company is in the process of finalization of trade margin connected with sale to oil marketing companies (OMCs) w.e.f. 01st Jan 2015. The estimated additional trade margin payable as demanded by OMCs over and above offered by the company is to the tune of Rs. 2304 Lakhs. (Previous year Rs. 2005 Lakhs)
6. As per TRACES website, TDS mismatch shown across various years of Rs. 3.62 Lakhs (Previous Year Rs. 5.44 Lakhs). Company is in the process of identifying and rectifying the same.

The company had contingent assets at March 31, 2021 in respect of

#### 1. Appeal filed in respect of :

- Sales Tax Order for VAT Assessment FY 2016-17 Rs. 22.88 lakhs and submitted Form-307 for rectification order. (Previous Year Rs. NIL)





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 34: Commitments

#### (a) Capital commitments

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

Particulars	March 31,2021	March 31,2020
Property, plant and equipment	22,121.62	21,011.01

#### (b) Non-cancellable operating leases

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

Particulars	March 31,2021	March 31,2020
Commitments for minimum lease payments		
in relation to non-cancellable operating		
leases are payable as follows:		
Within one year	451.17	378.89
Later than one year but not later than five years	1,590.18	1,476.45
Later than five years	3,722.82	3,347.79
<b>Total</b>	<b>5,764.17</b>	<b>5,203.12</b>

#### Rental expenses relating to operating leases

Particulars	March 31,2021	March 31,2020
Minimum lease payments		
Total rental expense relating to operating leases	138.12	99.59

#### Reconciliation of Lease Expense as per Notes with Lease Expense in Profit and Loss Account

Particulars	March 31,2021
Total Lease expense during the year	933.51
Lease expense of current year transferred under IND AS 116	795.40
Pre Capitalisation Lease expense of NRO capitalised	-
Balance Lease Expense shown in Profit and Loss	<b>138.12</b>

\*Above expense of Rs. 138 Lakhs is after adjustment of IND AS 116 as reflected in profit and loss account.





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 35 : Events occurring after the reporting period

Other events

Refer to note 30 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing Annual General Meeting."

### Note 36 : Earnings per share

Particulars	March 31, 2021	March 31, 2020
Net profit attributable to the equity shareholders of the company	17,297.90	22,332.83
Weighted average number of equity shares of Rs. 10/- each (Nos. in lacs)	1,000.00	1,000.00
Basic & diluted earnings per share (Rs.)	17.30	22.33

### Weighted average number of shares used as the denominator

Particulars	March 31, 2021	March 31, 2020
Total outstanding equity shares	1,000.00	1,000.00
Weighted average number of equity shares of Rs. 10/- each	1,000.00	1,000.00

### Note 37 : Assets pledged as security (Gross)

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

Particulars	Note	March 31, 2021	March 31, 2020
<b>Non-current</b>			
<b>Primary security</b>			
On assets in the form of fixed assets created out of term loan	12	27,235	22,137
<b>Collateral security</b>			
Pari Passu over residual assets in the form of fixed assets along with current assets and equitable mortgage over land at Chikhali	3	1,31,381	1,02,819
<b>Total assets pledged as security</b>		<b>1,58,617</b>	<b>1,24,956</b>





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 38

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Note	March 31, 2021	March 31, 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due to Micro, Small and Medium Enterprises	17	2,276.90	1,088.58
- Interest due on above			
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(c) 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 MSMED Act 2006. (d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006			

### Note 39 :

Security deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities as every customer has a right to request for termination of supply and the company does not have a contractual right to delay payment for more than 12 months.

### Note 40:

During the previous year ended 31 March 2021, an amount of Rs. 747.60 Lakhs (Previous Year Rs. 2155.68 Lakhs) was provided in the books of account towards estimated revision in trade margin payable to oil marketing companies (OMCs) as well as NRO dealer for the sale of CNG from their respective outlets based on the ongoing negotiations with them.

### Note 41 : Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2021 and the date of authorisation of the Company's financial statements. However, the board of directors have recommended a final dividend of Rs. 6.00 per fully paid equity share (March 31, 2020 - Rs. 6.00). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

### Note 42 : COVID-19 Impact

The unprecedented COVID-19 pandemic that resulted in lockdown worldwide including India continued into the FY 2020-21. Since CGD business comes under essential services, operations of the Company were continued during lockdown period. Management has assessed the potential impact of COVID-19 in the current circumstances and expects no significant impact on continuity of operations on long term basis/on useful life of assets/on the financial position, though there may be lower revenues in the near term





## Maharashtra Natural Gas Limited

Notes to the financial statements

(All Figures in Rupees Lakhs, unless otherwise stated)

### Note 43 : Previous year's figures

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

Nature of reclassification	Amount Rs. Lacs	Reason
1] CNG Kit Recovery moved from General Expenses in Other Expense Note 26 to Other Operating Revenue in Revenue from Operations Note 22	0.07	Better Presentation
2] Consumption of Consumables moved from Natural Gas Cost Note No 22(a) to Stores and Spares in Other Expenses Note No 26	3.41	Better Presentation

As per our report of even date attached

#### For M/s SUN SVG & ASSOCIATES

Chartered Accountants

Firm Registration Number: 118693W

Sd/-

**CA Satish Nade**

Partner

Membership No : 102758

UDIN : 21102758AAAABA3062

#### For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

Sd/

**Deepak Sawant**

Managing Director

DIN: 07339381

Sd/-

**Sanjay Sharma**

Director (Commercial)

DIN: 09025971

Sd/-

**Sarathy M K**

Chief Financial Officer

Sd/-

**Shreya Prabhudesai**

Company Secretary

A48866

Date : 22/05/2021

Place : Pune





## SPORTS EVENT



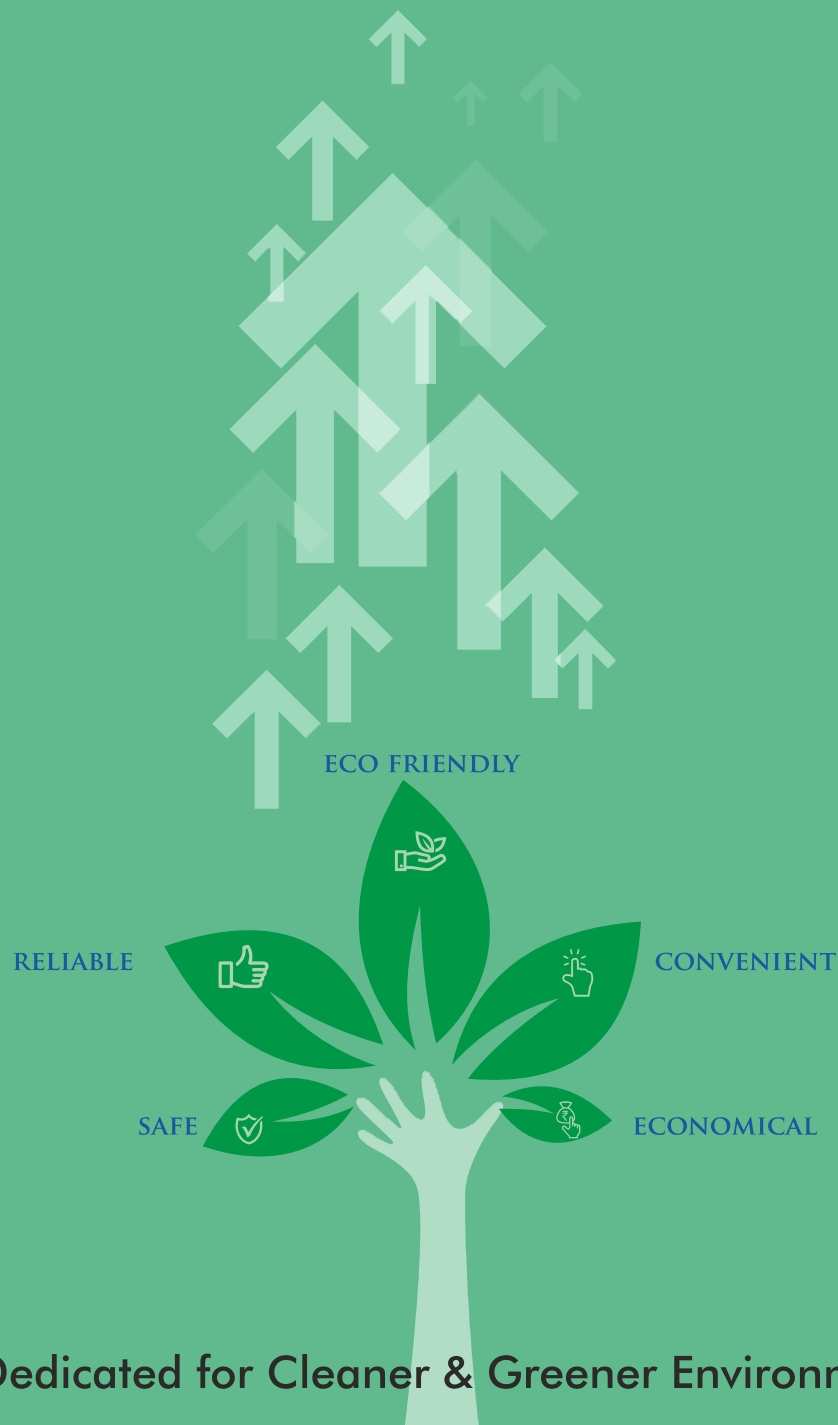


## WOMEN'S DAY CELEBRATION 2021









## Maharashtra Natural Gas Limited

(A Joint Venture of GAIL and BPCL)

**Registered Office :** Plot No. 27, "A" Block, 1st Floor, PMPML Commercial Building, Narveer Tanajiwadi, Shivajinagar, Pune – 411005

**Corporate Office:** 4th Floor, Pride Purple Cornet, Baner Road, Baner, Pune – 411045

Customer Care: **1800 266 2696** | Email : [customercare@mngl.in](mailto:customercare@mngl.in) | Website: [www.mngl.in](http://www.mngl.in)

 @mngltd  mngl\_in  mngl.in