



Annual Report 2023-24

Maharashtra Natural Gas Limited

(A Joint Venture of GAIL & BPCL)

“Dedicated for Cleaner & Greener Environment”



Growing Business Greening Tomorrow

Inside the Report

01 Corporate Overview

About MNGL	03
MNGL journey over the years	04
Awards and Accolades	05
Chairman Message	06
Our performance at a glance	10
Highlights of FY 2023-24	11
Board of Directors	12
Corporate Information	15



02

Statutory Reports

AGM Notice	16
Dividend Presentation FY 2022-23	25
Directors' Report	26
Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo during 2023-24	42
Management Discussion and Analysis	43
Annual Report on Corporate Social Responsibility Activities	48



To know more about the company, log in to www.mngl.in

03

Financial Statements

Independent Auditors' Report	61
Balance Sheet	76
Statement of Profit and Loss	77
Statement of Cash Flow	78
Statement of Changes in Equity	80
Notes to the Financial Statements	83



Scan the QR code to view the report online





About MNGL

Maharashtra Natural Gas Limited (MNGL) is a City Gas Distribution (CGD) company committed to providing clean and reliable natural gas. As a joint venture between prominent Indian corporations GAIL and BPCL, MNGL benefits from strong partnerships and government backing (Maharashtra & MIDC).

We are authorised by the Petroleum and Natural Gas Regulatory Board (PNGRB), to lay pipelines, build infrastructure, and operate CGD projects. Currently, we are serving in Pune, Pimpri-Chinchwad, and surrounding areas, and actively expanding into districts across Maharashtra, Karnataka, and Telangana. Offering CNG for the transportation sector and PNG for domestic, commercial, and industrial use, we at MNGL strive to be a leading provider of natural gas solutions.



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
- To provide safe, convenient and reliable piped natural gas to its customers in the domestic, commercial and industrial sectors

MNGL Milestones of FY. 2023-24

246

CNG Stations

4,57,414

CNG Vehicles

24,05,000 kg per day

Gas compression capacity

8,58,661

PNG Domestic connections

495

PNG Commercial Customers

361

PNG Industrial Customers

611 Kms

Steel Pipeline

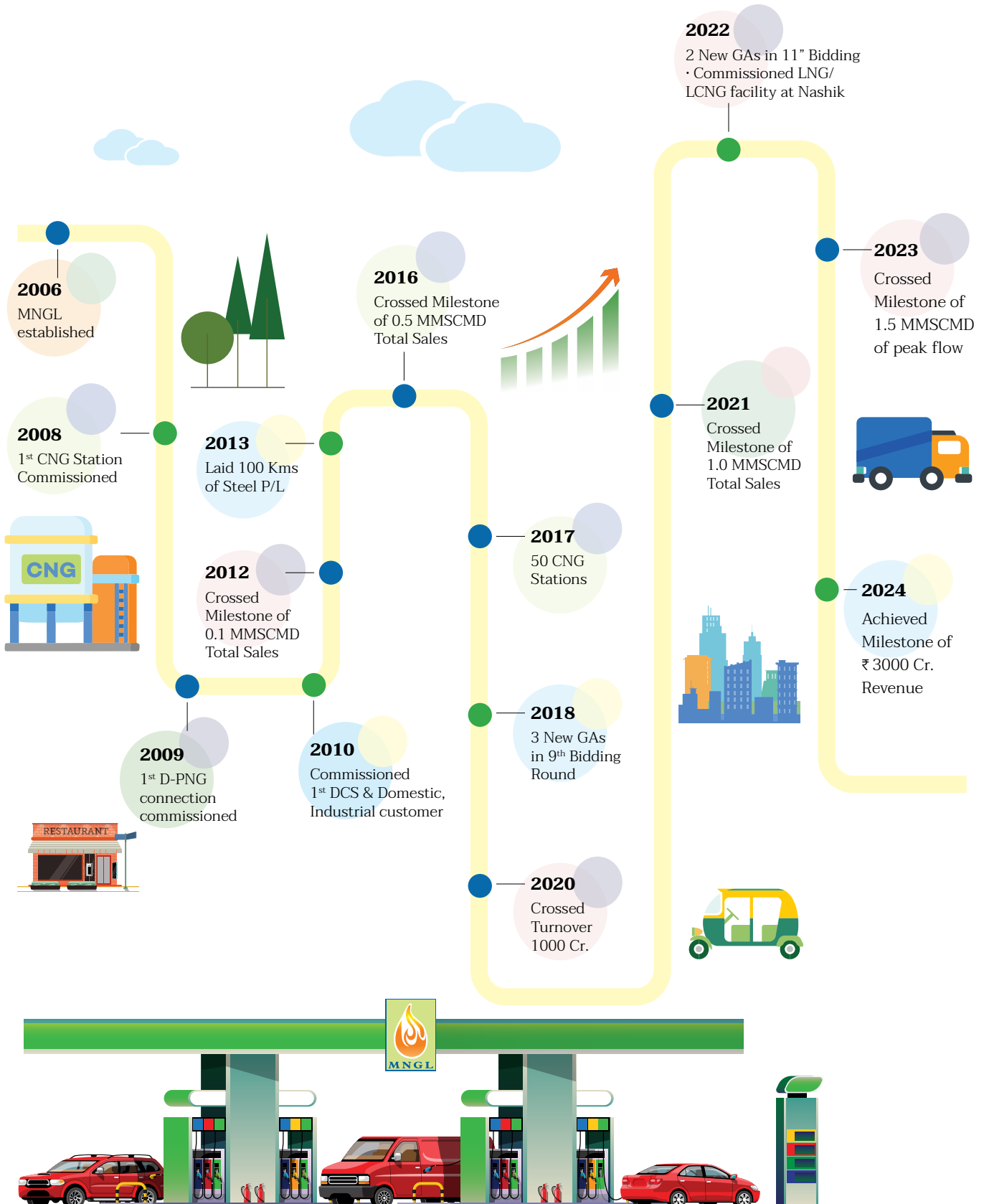
2,791 Kms

MDPE Pipeline

29 Million

Accident Free Man Hours

MNGL journey over the years



Awards and Accolades



DIAMOND AWARD
Best City Gas
Distribution
Company-2023
by FAME India, Delhi



PLATINUM AWARD
Safety Excellence
2023 In Corporate
Category
by FAME India, Delhi



**INNOVATIVE SAFETY
PRACTICES AWARD**
21ST Greentech
Foundation Safety
Summit 2023



FIRST PRIZE
Maharashtra Safety
Awards 2022
by National Safety Council



AWARDED
City Gas
Distribution
Growing Company
Of The Year 2019
by FIPI, Delhi



**BEST PRACTICES
AWARD 2024**
The Greentech
Global EHS
(Environment,
Health and Safety)
by Greentech Foundation

Chairman Message



Dear Shareholders,

I am pleased to present the Annual Report of MNGL for the financial year 2023-24. This has been a landmark year in which your Company has significantly outperformed its past achievements, both in terms of financial and physical performances.

In FY 2023-2024, your Company has achieved stellar financial performance reaching its highest ever total revenues of ₹3,001.88 crore. I am also pleased to inform that in comparison to the previous financial year, MNGL's EBITDA grew at a remarkable 41% to ₹961.53 crore, owing to its improved gas sourcing portfolio, along with achievement of excellent operational efficiency. Bolstered by such strong performance, MNGL's net profit has soared by 45%

to ₹610.12 crore, resulting in an impressive Profit After Tax (PAT) margin of 20%, Earnings Per Share (EPS) of ₹61.01, and superior Return on Equity (ROE) of 33%, all of which are amongst the top performances in the industry.

Your Company's commitment to shareholder value remains as strong as ever. For the financial year 2023-24, MNGL's Board of Directors has recommended a total dividend of ₹ 183.03 crore, representing a dividend payout ratio of 30%. Additionally, the net worth per share has increased from ₹142.02 in FY 2022-2023 to ₹185.04 in FY 2023-24, signifying sound financial health of your Company.

MNGL's gas sales volumes grew at 15% from 451.48 MMSCM in FY 2022-2023 to 518.25 MMSCM in FY 2023-2024. Importantly, this growth has been driven by a balanced contribution across all the business segments, including CNG, Industrial & Commercial (I&C), and Domestic segments, each playing an almost equal role in enhancing the sales volumes during this financial year.

During FY 2023-2024, MNGL demonstrated a strong commitment to growth through continued capital investments (CAPEX) across all its business segments. Over the past five years, MNGL's CAPEX has risen from ₹162 crore in FY 2018-19 to ₹562.79 crore in FY 23-24.

The number of installed CNG stations has expanded from 67 in FY 2018-19 to 246 in FY 2023-24, reflecting a Compound Annual Growth Rate (CAGR) of 29.71%. Similarly, Industrial and Commercial connections have increased from 487 to 856, with a CAGR of 11.94%. Over the same period, the infrastructure for Domestic Piped Natural Gas (DPNG) has surged from 1,69,407 connections to 8,58,661 connections, achieving a CAGR of 38.35%. Additionally, the expansion of Steel and Medium-Density Polyethylene (MDPE) pipeline has grown from 1,394 km to 3,402 km, representing a CAGR of 19.53%.

MNGL's top-line revenue has grown from ₹909.84 crore in FY 2018-19 to ₹3,001.88 crore in FY 2023-24, reflecting a CAGR of 27%, and during the same five-year period, MNGL's bottom-line PAT has grown from ₹142.65 Cr. to ₹610.12 crore, reflecting a CAGR of 34%, which is also amongst the best in the industry.

FY 2023-24 has been particularly notable for its impressive physical and infrastructure achievements by MNGL. Your Company laid infrastructure to add approximately 1.68 lakh Domestic Piped Natural Gas (DPNG) connections, the highest achievement in a single year, thereby bringing its cumulative total to around 8.50 lakh connections, and positioning it as the fourth largest City Gas Distribution (CGD) entity in India in this regard. In the fiscal year under review, MNGL also achieved a record by installing 46 new CNG stations and converting 4 Daughter Booster Stations (DBS) into Online stations, making a total of 50 new stations, the highest for your Company in a single year to date. Additionally, 164 Industrial and Commercial (I&C) connections were established and 637 km of Steel and MDPE pipelines were laid. These infrastructure advancements were accomplished across just six (06) Geographical Areas (GAs), spanning four (04) states-- Maharashtra, Karnataka, Telangana and Gujarat.

During FY 2023-24, MNGL connected two of its six GAs to trunk pipelines through City Gate Stations (CGS). Previously, Pune was the sole area directly linked to the gas source via a trunk pipeline

“

MNGL has achieved stellar financial performance reaching its highest ever total revenues of ₹3,001.88 crore. I am also pleased to inform that in comparison to the previous financial year, MNGL's EBITDA grew at a remarkable 41% to ₹961.53 crore, owing to its improved gas sourcing portfolio, along with achievement of excellent operational efficiency.

”

CGS. This year, your Company has operationalised a CGS for the Ramanagara GA at Bidadi and another for the Sindhudurg GA. These new City Gate Stations are poised to reduce sourcing costs, enhance the service reach and improve reliability, thereby accelerating future growth in both GAs.

In the Nashik Geographical Area (GA), while awaiting the forthcoming connection from the Mumbai-Nagpur-Jharsuguda trunk pipeline, MNGL has commenced full-fledged operations by operating India's largest state-of-the-art LNG-LCNG facility at Pathardi. This facility, equipped with two 114 KL LNG storage tanks and three pressure streams (that is, high pressure at 200+ bar, medium pressure at 19 bar, and low pressure at 4 bar), ensured continuous supply of re-gasified natural gas to all the segments of CGD customers in and around Nashik, including CNG, Industrial & Commercial (I&C) and Domestic segments. During the fiscal year 2023-24, the Pathardi facility operated at optimum efficiency, achieving a daily throughput exceeding 100,000 SCMD, which is the highest for any CGD entity in the country. Furthermore, MNGL has recently augmented the facility's capacity by installing

an additional 114 KL LNG storage tank, which will significantly enhance the daily gas supply to customers in Nashik.

Moreover, MNGL has lately introduced an LNG dispensing facility at the Pathardi LNG-LCNG Station to serve the auto-LNG fuel needs of the long-haul transport sector. This development represents the addition of a new business segment, expanding MNGL's offerings beyond its core natural gas services.

MNGL is actively exploring new growth opportunities within the Compressed Bio-Gas (CBG) sector, in alignment with the Government of India's 'GOBARdhan' initiative. MNGL is already purchasing and selling CBG in its Pune GA, and we are evaluating the feasibility of directly injecting CBG into our CGD networks, aiming to enhance our offerings and support sustainable energy solutions.

In its commitment to technological innovation and environmental stewardship, MNGL has forged a partnership with M/s Heath Consultants Incorporated (USA) as part of the U.S.-India Low Emissions Programme. This collaboration is designed to leverage advanced technologies to enhance sustainability and safety measures, focusing on the monitoring and mitigation of methane emissions from CGD operations.

In FY 2023-24, MNGL undertook various IT initiatives to enhance operational efficiency and improve customer service. Significant efforts included advancing SAP functionalities and data mapping, such as the integration of Industrial and Sourcing data, customising reports for Finance and Accounts as well as Contracts and Procurement functions and deploying new SAP capabilities to support recently acquired geographical areas.

At MNGL, safety remains a paramount priority. I am pleased to announce that, for the third consecutive year, MNGL has achieved zero Lost Time Incidents (LTIs), accumulating a total of 28.8 million accident-free man hours. Our dedication to safety is reflected in our extensive training programmes, which extend to a wide array of stakeholders, including contractors, those working with other utilities, and educational initiatives for residents and housing societies on safe gas usage practices.

In addition to safety, fostering employee engagement and well-being is crucial to our continued success. This year, we implemented several new policies, including a Scheme for Providing Furniture and White Goods and a Long Service Award programme, all aimed at strengthening employee relations and nurturing a positive

“

In its commitment to technological innovation and environmental stewardship, MNGL has forged a partnership with M/s Heath Consultants Incorporated (USA) as part of the U.S.-India Low Emissions Programme. This collaboration is designed to leverage advanced technologies to enhance sustainability and safety measures, focusing on the monitoring and mitigation of methane emissions from CGD operations.

”

organisational culture. Additionally, we have organised health check-up camps, blood donation drives and sponsored participation in sporting events to promote wellness for ensuring a vibrant and engaged workforce.

MNGL aligns its business objectives with a dedicated community development agenda. Our Corporate Social Responsibility (CSR) initiatives are carefully chosen towards key areas such as education, empowerment, skill development, rural advancement and healthcare, with the goal of driving meaningful societal

transformation. In FY 2023-24, MNGL has actively supported CSR projects across our authorized Geographical Areas underscoring our commitment to advancing community well-being and promoting sustainable development in the areas of our operation.

The future of the CGD industry is promising, fuelled by the growing demand for low-carbon energy sources. MNGL is well-positioned to capitalise on these opportunities, with plans to expand operations and invest in infrastructure to drive sustainable growth.

As we forge ahead on our path towards sustainable growth, I wish to express my deepest gratitude to our shareholders for their enduring support and trust.

I would also like to extend my sincere thanks to all our business partners, customers, vendors, bankers and stakeholders for their dedication and loyalty. On behalf of the entire MNGL Board, I convey my profound appreciation to all our dedicated employees, whose relentless efforts have been instrumental in MNGL's ongoing success.

Our heartfelt appreciation extends to the Government of India, the State Governments of Maharashtra, Karnataka Gujarat and Telangana as well as the Petroleum and Natural Gas Regulatory Board. We are also grateful for the support of Pune Municipal Corporation (PMC), Pimpri Chinchwad Municipal Corporation (PCMC) and Cantonment Boards and for the invaluable guidance from the Ministry of Petroleum and Natural Gas.

Additionally, I would like to acknowledge the invaluable contributions of our Board members, particularly Shri Sanjay Sharma, and Shri Pawan Kumar, for their guidance throughout their tenures.

Thank you once again to all our shareholders. United in our commitment, we will continue to drive sustainable growth and create long-term value for all stakeholders.

Warm regards,

Anilkumar P
Chairman

“

At MNGL, safety remains a paramount priority. I am pleased to announce that, for the third consecutive year, MNGL has achieved zero Lost Time Incidents (LTIs), accumulating a total of 28.8 million accident-free man hours. Our dedication to safety is reflected in our extensive training programmes, which extend to a wide array of stakeholders, including contractors, those working with other utilities, and educational initiatives for residents and housing societies on safe gas usage practices.

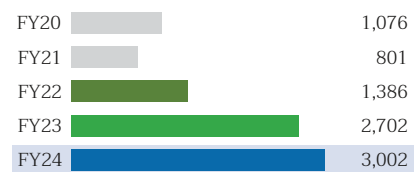
”

Our performance at a glance

Financial performance

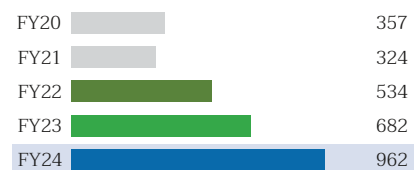
Revenue

(₹ in Crore)



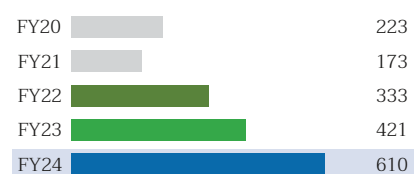
EBITDA

(₹ in Crore)



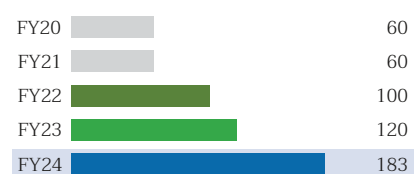
PAT

(₹ in Crore)



Dividend

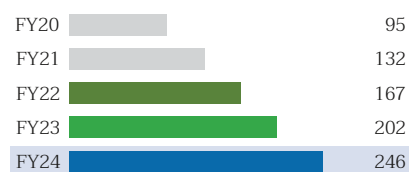
(%)



Operational Performance

CNG Stations

(Nos.)



Compression Capacity

(Lakhs Kg/day)



PNG: Commercial Connections

(Nos.)



PNG: Domestic Connections

(Nos.)



PNG: Industrial Connections

(Nos.)



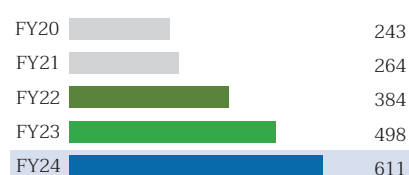
MDPE

(Kms)



Steel

(Kms)



Highlights of FY 2023-24

- Total Sales Growth – Achieved 15%; Annual Daily Avg. Increased to 1.42 MMSCMD from 1.24 MMSCMD
- Current Total Daily Sales: Crossed a mark of 1.5 Million SCMD, CNG Daily Sales has crossed 1.0 Million SCMD
- Auto-LNG: Established Auto LNG dispensing facility at Pathardi, Nashik for fuelling LNG propelled vehicles
- City Gate Stations (CGS): Commissioned 2 new (CGS) in Ramanagara GA (July 23) and Sindhudurg GA (Sept.23)
- Started Operations in Gujarat & Nizamabad: MNGL started commercial CNG sales in Valsad district (Gujarat) - part of Nashik GA and Nizamabad
- All GAs turned Positive: In terms of financial performance, at EBITDA level, all 6 GA's are positive during current FY 23-24



MNGL received the following accolades during this year:

Diamond Award for **“Best Efficient City Gas Distribution Company - 2023”** by FAME India, Delhi

Platinum Award for “Safety Excellence - 2023” in Corporate Category by FAME India, Delhi

“Innovative Safety Practices” Award at the “21st Greentech Foundation Safety Summit 2023”



Board of Directors



From Left- Right:

Shri Mohit Bhatia Nominee Director, Shri Kumar Shanker Managing Director, Shri Anilkumar P Chairman, Smt. Bageshree Manthalkar Independent Director, Shri K K Chatiwal Nominee Director, Shri H K Srivastava Nominee Director, Shri Sanjay Sharma Director (Commercial)



Board of Directors



Shri Anilkumar P
Chairman



Shri Kumar Shanker
Managing Director



Shri Shankar Karajagi
Director (Commercial)



Shri H. K. Srivastava
Nominee Director



Shri K. K. Chatiwal
Nominee Director



Shri Mohit Bhatia
Nominee Director



Smt. Bageshree Manthalkar
Independent Director

Corporate Information

Board of Directors

Shri Anilkumar P

Shri Kumar Shanker

Shri Shankar Karajagi

Shri H K Srivastav

Shir K K Chatiwal

Shir Mohit Bhatia

Smt. Bageshree Manthalkar

Bankers

Punjab National Bank

Bank of Baroda

State Bank of India

Bank of Maharashtra

Axis Bank

Indusind Bank

ICICI Bank

Statutory Auditors

B.K. Khare & Co

Chartered Accountants

2nd Floor, Demech House, B Wing

Law College Road

Pune 411004

Cost Auditors

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 Chetan kumbhojkar, PCS

6B, 1st Floor, Shree Renuka,

Revenue Colony,

Sinhagad Road, Pune- 411030

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

Corporate Office

2nd, 3rd & 4th Floor,

Pride Purple Cornet,

Baner Road, Baner, Pune- 411045.

Maharashtra Natural Gas Limited**(A Joint Venture of GAIL and BPCL)**

Registered Office: Plot No. 27, 'A' Block, 1st Floor, PMPML Commercial Building, near P.M.T. Bus Depot,

Narveer Tanajiwadi, Shivaji Nagar, Pune-411005

CIN: U11102PN2006PLC021839 Website: www.mngl.in E-mail: shreya.prabhudesai@mngl.in

Phone: 020- 25611000 Fax: 020- 25511522

Notice

The shareholders of Maharashtra Natural Gas Limited are hereby given notice to attend the 18th Annual General Meeting to be held on Thursday, 26th September, 2024 at 2.00 PM at Corporate Office 4th Floor, Pride Purple Cornet, Baner Road, Baner, Pune – 411045 in-person and through video conferencing (VC) or other audio-visual means 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, 2024 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, 2024, 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 @ 123% (₹ 12.3/-per equity share) on the paid-up equity share capital of the company (₹.100 Crores) as on the date of declaration for the financial year ended 31st March, 2024 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 @ 123% (i.e. ₹ 12.3/- 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, 2024 as recommended by the Board."

3. To appoint a Director in place of Shri H K Srivastava, 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 H K Srivastav, Director (DIN: 07855541), 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 FY. 2024-25."

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 FY. 2023-24.**

"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 FY. 2023-24 amounting to ₹ 3,70,107/- including applicable taxes, be and is hereby ratified & confirmed."

6. **To appoint Shri Shankar Karajagi as Director (Commercial) on the Board of MNGL**

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and all other

applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Article 121 (A) (iii) of the Articles of Association of the Company, approval be and is hereby accorded, to the appointment of Shri Shankar Karajagi (DIN: 10702631) as Director (Commercial) of the Company on whole-time basis with effect from August 1, 2024 on the terms and conditions of appointment including remuneration forwarded by Bharat Petroleum Corporation Limited vide its letter no. HRD.C&B.1.CON. DEPUT dated July 18, 2024, issued by the promoter company i.e. BPCL, within the overall scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and BPCL.

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

7. To appoint Shri Mohit Bhatia as Nominee Director from IGL on the Board of MNGL

"RESOLVED THAT Shri Mohit Bhatia (DIN: 10603296) who was appointed as an Additional Director of the Company by Board of Directors w.e.f 3rd May, 2024 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."

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

8. To re-appoint Smt. Bageshree Manthalkar as Independent Director on the Board of MNGL

"RESOLVED THAT pursuant to provisions of Sections 149, 152 of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 and such other provisions as may be applicable, including any statutory modification or re-enactment thereof for the time being in force, Smt. Bageshree Manthalkar (DIN: 07914288), who was appointed as an Independent Director of the Company by the members for a term up to March 18, 2024, and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and being eligible for re-appointment for a second term, be and is hereby reappointed as an Independent Director of the Company, for second term of 3 years from March 19, 2024 up to March 18, 2027, and whose office shall not be liable to retire by rotation."

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

Date: 26.08.2024
Place: Pune

Sd/
(Shreya Prabhudesai)
Company Secretary

Notes:

1. The explanatory statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
2. Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 (MCA Circulars) have permitted the holding of AGM through VC/OAVM. In terms of the said circulars, the 18th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM.
3. In compliance with the aforesaid MCA Circular, Notice of AGM along with the Annual Report for the financial year 2023-24 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
4. The attendance of the Members attending the AGM in person and through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since, the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
6. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will be opened upto 15 minutes after the scheduled start time of the AGM.
7. 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.
8. Institutional / Corporate Members intending their authorized representative(s) to attend the Meeting 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
9. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 19th September, 2024 to Thursday, 26th September, 2024 (both days inclusive) to determine the entitlement of the Final Dividend @ 123% (₹ 12.3/- 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 19th September, 2024; 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.
10. 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.
11. 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.

12. 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 during the AGM. Members may send their request for inspection by sending an email to shreya.prabhudesai@mngl.in.

13. 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 sarathy.mk@mngl.in / mayuresh.ganu@mngl.in and mark cc to 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.

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 shall hosted the notice on website of the company along with Annual Report at www.mngl.in

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.

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

Date: 26.08.2024
Place: Pune

Sd/
(Shreya Prabhudesai)
Company Secretary

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 Statutory Auditors for F.Y. 2024-25 is yet to be received and the same is to be noted by the Board thereafter. 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 has approved the appointment of M/s. Dhananjay V. Joshi & Associates, Pune, Cost Accountants, as a Cost Auditor of the Company, selected through a routine tendering process, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 and fixed the remuneration of ₹ 3,70,107/- (Rupees Three lakhs Seventy Thousand One Hundred and Seven only) including all taxes as per the guidelines issued by Institute of Cost Accountants of India, for the financial year ended on March 31, 2024, subject to the ratification of the Members at the Annual General Meeting.

Pursuant to section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, members of the company are required to ratify the remuneration to be paid to the cost auditors of the company every year. 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, 2024.

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 Shankar Karajagi was nominated by Bharat Petroleum Corporation Limited (BPCL) as Director (Commercial) of MNGL. Accordingly, the Board of Directors appointed Shri Shankar Karajagi as Director (Commercial) on the terms & conditions of appointment including remuneration forwarded by BPCL letter ref. no. HRD.C&B.1.CON.DEPUT dated July 18, 2024 on the Board of MNGL w.e.f. 1st August, 2024 in its Board Meeting held on 29th July, 2024 subject to Shareholder's approval in this AGM.

The salary details of Shri Shankar Karajagi shall be as under:

PARTICULARS	₹ per Month
Basic Pay per month	2,47,710/-
Stagnation Increment	-
DA (@ 44.8% of Basic Pay + SI) DA is revised on every quarter based on changes in AICPI	1,10,974/-
HRA (@27% of Basic Pay + SI (notional cost in Pune) (entitled to company accommodation* of HRA applicable to the Location)	66,882/-
Deputation Allowance (@10% of Basic Pay subject to ceiling of ₹ 9000/- p.m.)	9,000/-
Perks & Allowances (@35% of Basic Pay + SI)	86,699/-
Retirement Benefits (30% of Basic Pay + SI + DA)	1,07,605/-
Performance Related Pay (PRP) @ 80% of Basic + SI (Subject to achievement of excellent rating on MOU Parameters, SBU/ Individual Performance)	1,88,259.6/-
Other Benefits	67,766/-

(*) in case of company Accommodation is provided, HRA will not be payable and there would be monthly recovery based on the size of the flat.

Shri Shankar has attended all Board meetings as Director (Commercial) held after his appointment as Director (Commercial) till the date of this Notice. 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 Shankar Karajagi 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

The Board, at its meeting held on May 3, 2024, appointed Shri Mohit Bhatia (DIN: 10603296), as an Additional Director on the Board with effect from May 03, 2024, 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, Shri Mohit Bhatia (DIN: 10603296), 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 Indraprastha Gas Limited (Shareholder of MNGL) proposing the candidature of Mr. Mohit Bhatia for the office of Director.

The Company has received from Shri Mohit Bhatia (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.

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 Mohit Bhatia 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

Bageshree Manthalkar (DIN: 07914288) was appointed as an Independent Director of the Company for a term of 3 consecutive years pursuant to Section 149 of the Act, read with the Appointment Rules by the Board, to hold office up to March 19, 2024. The members, at the Annual General Meeting (AGM) held on September 28, 2021, had approved the same. Section 149(10) of the Companies Act, 2013, provides for re-appointment of an Independent Director for one more term.

Smt. Bageshree Manthalkar fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Act. As per Section 149 of the Act, an Independent Director may hold office for two terms of up to five consecutive years each. She fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Act.

The NRC, taking into account her contribution & performance during her first term of 3 (three) years and considering her knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board her reappointment for a second term of 3 (three) years. The salient points of the qualifications, Performance and contributions of Smt. Bageshree Manthalkar are as follows:

- She has completed her bachelor's in Commerce & Legislative Law from Pune University.
- She is a Senate Member & Management Council Member representing Graduate Constituency for Women & Head of Advisory Committee of NSS Guinness World Record Program at Pune University.
- She is having a wide and rich experience in social work as she is an active social worker for last 3 decades.
- She is the Chairperson of the CSR Committee of the Board of MNGL and she is making active contributions in the fulfilment of CSR mandate of MNGL.
- She is the Chairperson of the Internal Complaint Committee (ICC) formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- She has also successfully cleared the online Proficiency Self-Assessment Exam conducted by IICA (Indian Institute of Corporate Affairs) in compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013.
- She consistently participated in all the Board Meetings of MNGL and she had hundred percent attendance record in MNGL Board Meetings during her tenure so far.

As per the provisions of Section 149 & Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, read with the notification of MCA dated 05.07.2017, MNGL being an unlisted Joint Venture company, it is not mandatory for MNGL to appoint Independent Director. However, as per Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014, appointment of a Woman Director is mandatory for MNGL.

In view of the above, the NRC and the Board are of the view that Smt. Bageshree Manthalkar possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint her as an Independent Director for second term.

The Board of Directors at its meeting held on March 19, 2024, as per the provisions of section 161, 152, 149, proposed re-appointment Smt. Bageshree Manthalkar (DIN: 07914288), as an Independent Director for a second term of 3 (three) consecutive years commencing from 19th March, 2024, to 18th March, 2027 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

The Company has received all statutory disclosures / declarations, including

- Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Appointment Rules,
- Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act,
- Declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act,
- Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge duties as an Independent Director of the Company, and
- A notice in writing by her proposing her candidature under Section 160(1) of the Act.

In the opinion of the Board, Smt. Bageshree Manthalkar fulfils the conditions specified in the Act, and Rules made thereunder for her reappointment as an Independent Director of the Company and she is independent of the Management of the Company. The Board considers that the continued association of her would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

The resolution seeks the approval of members for the reappointment of Smt. Bageshree Manthalkar as an Independent Director of the Company, for a second term of 3 (three) years effective March 19, 2024 up to March 18, 2027, (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

The profile and specific areas of expertise and other relevant information as required under the SS-2 are provided in additional information section of this Notice.

No director, KMP or their relatives except Smt. Bageshree Manthalkar, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution as set out in Item no. 2.

The Board recommends the special resolution as set out in Item no. 8 of this notice for the approval of members.

Brief resume of Directors seeking appointment at the 18th Annual General Meeting as per SS-2 on General Meetings

Name	Shri Shankar Karajagi, Director (Commercial)	Shri Mohit Bhatia, Nominee Director	Smt. Bageshree Manthalkar Director
Date of Birth	13.06.1968	02.12.1970	18.10.1970
Qualification	Mechanical Engineer from N.I.T.K Surthakal, and has done his MBA from S P Jain Institute of Management & Research Mumbai, has done a PGD in Technology Management in Agriculture from NAARM Hyderabad University and a few certificate courses.	Civil Engineer from NIT, Surathkal, Karanataka and an MBA in Marketing from SP Jain Institute of Management & Research, Mumbai.	She has completed her bachelor's in Commerce & Legislative Law from Pune University
Expertise in specific functional Areas	He is having 33 years of rich and diverse experience in the Oil and Natural Gas Sector encompassing Retail, Industrial and commercial Sales & Marketing, Network expansion, Retail Engineering & Automation, New Product Development, Non-Fuel Business Development, Channel Partner Management, POL Operations etc. He has a comprehensive and extensive experience in Sales and Marketing of Oil & Gas Retail, I&C, Natural Gas and Non-Fuel Business. He lead the front-end field force in developing a new product called Pharma Hexane in BPCL when he was posted as Head AP&TS in Hyderabad during 2015-18 replacing 100 % imports. He has many National and Corporate awards to his credit on Innovation, Ideas and performance. To name a few are National Petroleum Innovation Award 2020-21 by MOPNG, BPCL Chairman's Best Idea Award 2017, etc. He has worked in vivid business verticals of BPCL covering different locations of India via Chennai, Mumbai, Gujarat, Pune, Nagpur, Delhi, Hyderabad and Bangalore. During his 14 years of Army assignments worked in different locations across India and has under his sleeves many medals of Marathons, Duathlons, Triathlons participated within & Outside India. He believes in simplicity and service to Nation and passion, discipline, integrity and good health as the corner stones for success and happiness in life.	He is a result oriented & experienced senior leader having over 31 years of experience in the oil & gas sector in the areas of Operations, Engineering and Marketing subsequent to joining BPCL in 1993. Mr. Mohit Bhatia is presently working as Director (Commercial) in Indraprastha Gas Ltd. (IGL), the largest CNG distribution Company of the country. IGL is a joint venture of GAIL (I) Ltd. and BPCL along with Govt. of NCT of Delhi. He was serving as Chief Executive Officer of Haridwar Natural Gas, a joint venture of BPCL with Gail Gas, at Haridwar before joining the current assignment. He has been in leadership roles like State Retail Head of Punjab, Chandigarh and Jammu & Kashmir and Territory Manager of LPG in New Mumbai. In course of his career in BPCL, Mr. Bhatia has overseen as well as executed sales and marketing activities to deliver an enormous increase in the sales of oil, LPG as well as Natural Gas.	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 Prkalpa. 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.
Directorship held in other companies		Indraprastha Gas Ltd.	—

Name	Shri Shankar Karajagi, Director (Commercial)	Shri Mohit Bhatia, Nominee Director	Smt. Bageshree Manthalkar Director
Membership/ Chairmanships of Statutory Committees of Board of Directors other than MNGL	-	Member in CSR Committee of the Indraprastha Gas Ltd.	-
No. of shares held in MNGL	-	-	-
Remuneration last drawn (incl. sitting fees)	As per terms & conditions mentioned in the Resolution	Sitting Fees Only	Sitting Fees Only
Remuneration proposed	As per terms & conditions mentioned in the Resolution	Sitting Fees Only	Sitting Fees Only

Dividend Presentation FY 2022-23





DIRECTORS' REPORT

To
The Members

Your Company's Directors have pleasure in presenting the Eighteenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2024 together with the Auditors' Report.

1. FINANCIAL RESULTS AND REVIEW

During the FY 2023-24, your Company has achieved total income of ₹ 3,001.88 Crore, as against ₹ 2702.47 Crore in the previous financial year registering a 11% growth.

The Profit After Tax (PAT) in FY 2023-24 is ₹ 610.12 Crores as against ₹ 421.08 Crores achieving 45% growth in FY 2023-24.

The Financial results for the year ended March 31, 2024 are summarized below:

Particulars	Amount in ₹ Crores	
	For the Year 2023-24	For the Year 2022-23
Revenue from Operations	2,993.55	2,700.24
Other Income	8.33	2.23
Total	3001.88	2702.47
Profit before Depreciation, Finance Cost and Tax	961.53	681.73
Finance Cost	31.61	22.80
Depreciation & Amortization of Expenses	112.07	93.03
Profit Before Tax (BPT)	817.85	565.90
Provision for Tax including deferred tax	207.73	144.82
Profit After Tax (PAT)	610.12	421.08
Other Comprehensive Income	0.02	0.22
Total Comprehensive Income	610.14	421.30
Retained Earnings-opening balance	1,320.21	998.10
Add: Total Comprehensive Income for the period	610.14	421.30
Profit available for appropriation	1,930.35	1,419.40
APPROPRIATIONS		
Other comprehensive income recognized directly in retained earnings	--	0.81
Dividend Paid during the year	180.00	100.00
Retained Earnings-closing balance	1,750.35	1,320.21

Net worth per share has increased from ₹ 142.02 in FY 2022-23 to ₹ 185.04 in FY 2023-24 signifying a sound return on investment coupled with sizeable amount of profit ploughed back into the business.

2. APPROPRIATIONS

DIVIDEND

Your Company is consistently distributing dividends to the Shareholders from FY 2011-12 onwards.

During FY 2023-24, the Board of Directors of your Company has earlier approved the payment of an interim dividend at 60% (₹ 6 per equity share of ₹ 10/-) on equity shares of ₹ 10 each total amounting to ₹ 60 Crores, which was paid in the month of February, 2024.

Further to that, the Board of your Company has recommended a payment of Final Dividend at 123% (₹ 12.30 per Equity Share of ₹ 10), total amounting to ₹ 123.03 Crores.

The total Dividend pay-out for the FY 2023-24 would be 30% of PAT amounting to ₹ 183.03 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. STATE OF COMPANY'S AFFAIRS

The Financial Year FY 2023-24 witnessed impressive physical and financial performance by your Company. Your Company's growth is on fast track and is poised for scaling newer heights, in its chosen areas of operations. A summary of the operations of the company is provided in Company Performance section and other subsequent sections.

4. TRANSFER TO RESERVES

The Company proposes to transfer ₹ 430.13 Crores to the Reserves, thereby enhancing the total reserves up to ₹ 1,750.35 Crores.

5. 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.

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

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

7. COMPANY PERFORMANCE:

During the year, the Company recorded sales as under:

Particulars	(Figures in MMSCM)		
	For the Year		Growth (YoY)
	2023-24	2022-23	
Compressed Natural Gas (CNG)	350.93	305.78	15%
Piped Natural Gas (PNG)	167.32	145.70	15%
Total	518.25	451.48	15%
Average Sales per day (MMSCD)	1.42	1.24	

COMPRESSED NATURAL GAS (CNG) BUSINESS

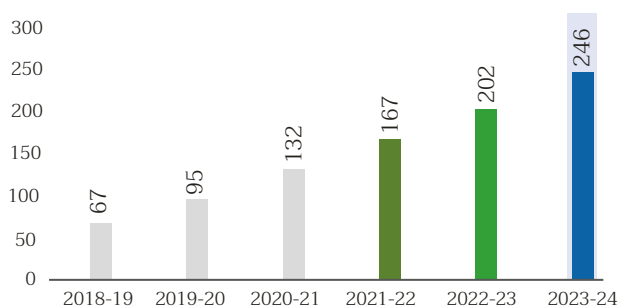
During FY 2023-24, the CNG sales of your company has grown at an impressive 15% annual growth rate. MNGL has strengthened its CNG distribution infrastructure by increasing the total number of installed CNG stations to 246 Nos. as against 202 Nos. CNG stations till previous year. Thus, 46 nos. of new CNG stations were added during the year while 2 stations were decommissioned thereby registering a YoY growth of around 22% at end of FY 2023-24.

In addition to above, 4 Daughter Booster stations were converted to Online on account of pipeline connectivity being established to these stations.

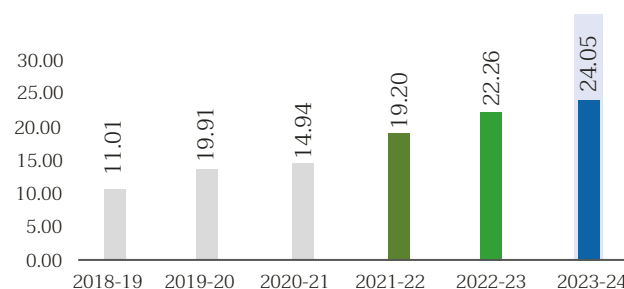
In FY 2023-24, your company commenced CNG sales in the state of Gujarat, from its authorized area in Kaprada Taluka in Valsad district.

The cumulative compression capacity has increased to 1,35,400 SCMH during 2023-24 as compared to previous year's cumulative compression capacity of 1,24,600 SCMH with growth of around 9 %.

CNG Stations (Nos)



Compression Capacity (Lakhs Kg/day)

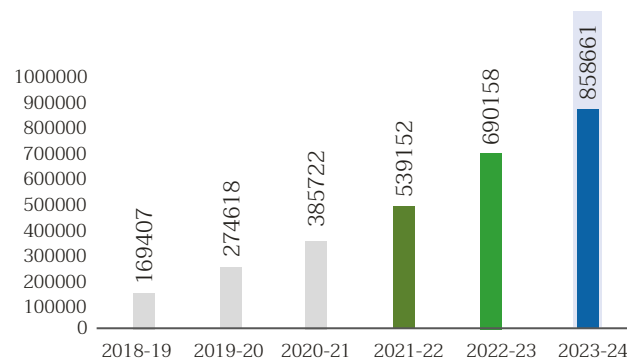


PNG

(i) DOMESTIC CONNECTIONS:

Your company has augmented PNG infrastructure by adding about 1,68,500 nos. of new domestic PNG (D-PNG) connections during the FY. 2023-24 thereby achieving total cumulative D-PNG of about 8,58,600 nos as at 31 March 2024, registering about 24% growth over the previous year.

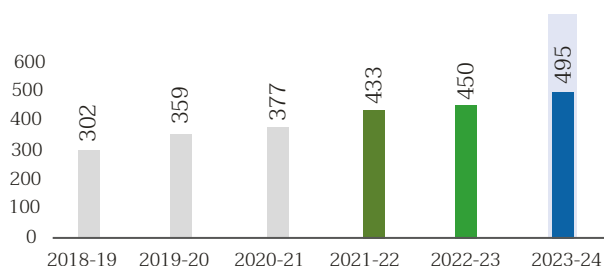
Domestic Connection (Nos)



(ii) COMMERCIAL CONNECTIONS:

Commercial customer connections of your company during FY. 2023-24 has cumulatively reached 495 nos. Your Company successfully commenced the PNG supply to first commercial customer at Sindhudurg GA. Company has successfully provided Natural Gas to variety of customers including Schools / IT segment in Pune city such as Phoenix – Mall of the Millennium which currently caters 40 connected F&B outlets, Methibai Devraj Gundecha Foundation's, Chatrabhuj Narsee School, Saraswatidevi Ramchandra Mittal Foundation, Helios International School, Tata Technologies Ltd, IT Park Cafeteria at AIGP Developers (Pune) Pvt Ltd, Magarpatta Township Development & Construction Co. Ltd (SEZ), Venkateshwara Hatcheries Pvt. Ltd (Venky's) etc. MNGL has also been able to connect & provide the PNG supplies to State Government entity - Yerawada Central Prison.

PNG: COMMERCIAL CONNECTIONS (NOS.)



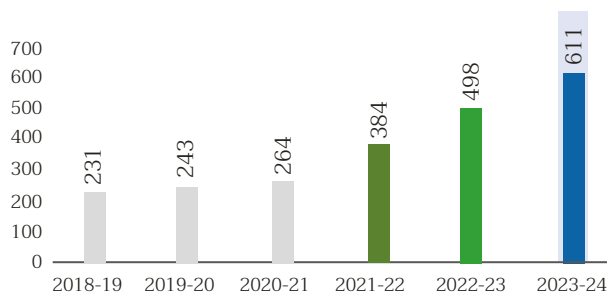
Also, company has provided PNG to Charitable / non-profit making entities like Society of Friends of Sassoon Hospital (SOFOSH), Pune Municipal Corporations – Naidu Crematorium, Maheshwari Vidya Pracharak Mandal, Sri Sarada Math. Company has also entered into agreements with BNY Mellon International Operations India Pvt Ltd at Prestige Alphatech, National Institute of Naturopathy, under Ministry of Ayush for multiple connection requirements.

By March'24 end commercial segment has reached daily avg. PNG consumption of about 20,300 SCMD in FY23-24 against about 15,700 SCMD in FY22-23. In FY 2023-24, MNGL was successful in adding new 107 Commercial customers in all its GAs.

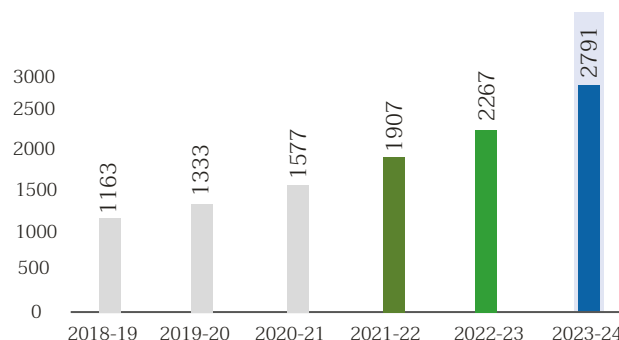
(iii) PIPELINE INFRACTURE

Your Company has increased its infrastructure of steel pipeline network from 498 Km in FY 22-23 to 611 Km in FY 23-24 and its MDPE network enhanced from 2267 Km to 2791 Km in FY 23-24.

Steel (Kms)



MDPE (Kms)



(iv) INDUSTRIAL CONNECTIONS:

MNGL has been making significant strides in expanding its presence in the industrial segment, with a notable focus on additional revenue generation. 45 new industrial connections were added in FY 2023-24 including clients like Bajaj Auto Ltd., Motherson Automotive Technologies, Škoda Auto Volkswagen Skoda, Tata Auto Components, Bajaj Electricals, Sigma Electric Manufacturing, Siporex India Pvt. Ltd, A O Smith, and Anthem Bioscience.

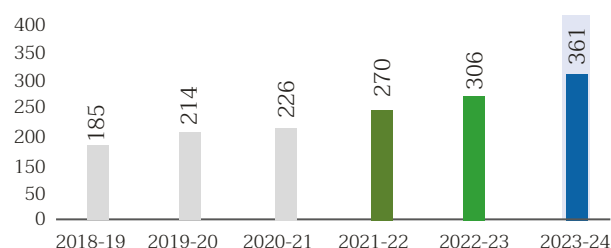
Your Company achieved registered 15% year-on-year volume growth in commercial and industrial segments for FY 2023-24 indicating a healthy overall growth trajectory for the company.

By maintaining this momentum, MNGL is aiming to further strengthen its position in the industrial & commercial segment and enhance its overall performance in the coming fiscal year also.

LNG, LCNG and Auto-LNG

MNGL is operating India's largest state-of-the-art LNG-LCNG facility at Pathardi, Nashik, for providing re-gasified natural gas supplies to the customers (CNG & PNG) of Nashik GA with 2 nos. of operational LNG storage tanks of 114 KL each, and it is first such LNG-LCNG station in India to fully operate all three streams (High Pressure, Medium Pressure & Low Pressure) at full optimum capacity with daily throughput crossing 100,000 SCMD.

PNG: INDUSTRIAL CONNECTIONS (NOS.)



In this station, an additional 3rd tank of also 114 KL capacity is already installed at site during FY 23-24 for the station capacity expansion and its commissioning is expected in FY 2024-25.

Auto-LNG dispensing facility is also underway at this LNG-LCNG station with commencement of commercial auto-LNG supplies scheduled after the imminent obtainment of all necessary statutory approvals, stamping, verification & sealing of LNG dispenser.

Compressed Biogas (CBG)

Government of India has introduced an initiative namely Galvanising Organic Bio-Agro Resources Dhan (GOBARdhan) that is aimed at converting biodegradable/ organic waste, including cattle dung and agricultural residues and other biomass, into valuable resources such as biogas, compressed biogas (CBG), and organic manure and to promote circular economy through a novel "Whole of Government" approach.

Aligning with this aim of GoI, MNGL has been purchasing CBG in Pune and is already supplying CBG under the CBG synchronization scheme in its Pune GA.

advanced gas leak detection solutions for abatement of methane emissions is an important focus area for the CGD industry.

MNGL has taken a positive step towards abatement of methane emission by signing an MoU with M/s Heath Consultant Incorporated in Houston, Texas (USA) to foster technology collaboration under the U.S-India Low Emissions Program for providing advanced gas leak location and leak detection solutions in the authorized GAs of MNGL which will lead to a significant stride towards environmental sustainability and energy efficiency.

b. Smart Gas Meters

MNGL is working towards introduction of smart meters. Smart meters have been pivotal in improving the accuracy of readings, leading to precise billing and better leak detection. Real-time data consumption empowers customers to manage usage effectively, enhancing the overall experience by eliminating manual readings and providing convenient billing.

At present, MNGL is taking trial of prepaid smart meters for domestic segment under various iterations which will soon aid in rolling out Smart meter programs in phases in its different GAs.

8. FUTURE OUTLOOK

The city gas distribution industry is expected to play an important role in meeting the energy transition needs of urban areas in a more sustainable and efficient manner. As cities continue to grow and expand, the demand for relatively lesser carbon intensive natural gas as a fuel source is likely to increase. The industry is likely to see an increase in the use of natural gas as a cleaner and more sustainable alternative to other more carbon intensive fossil fuels. This shift towards natural gas will require significant investment in infrastructure, including pipelines, storage facilities, and distribution networks. This investment will create opportunities for companies in the city gas distribution industry to expand their operations and offer more efficient and reliable gas supply to urban areas.

Furthermore, emission control measures and technological advancements will play a key role in the future of the city gas distribution industry. These advancements include the development of smart meters and emission monitoring and control systems, which will enable more accurate measurement and better management of gas distribution.

In this scenario, following are few areas where MNGL is taking newer initiatives:

a. Methane Emission Abatement

Being a CGD entity, while supplying CNG and PNG to the end-users, the system does have some unaccounted operational gas losses, which needs to be minimized. Apart from environment concern, this may lead to safety concerns also. Hence, establishing

9. TOWARDS CUSTOMER DELIGHT

1. There is a reduction in complaint percentage (as a % of customer base) by 15.96% compared to last financial year.
2. Go Green initiative - around 5000 more customers onboarded on E-bill Platform which in turn resulted into cost saving of ₹ 1.5 lacs per year on Bill printing and Bill distribution. (Around 20,000 customers were already onboarded till-31.03.2023).
3. In FY 23-24, overdue amount from defaulting customers decreased from ₹ 13.71 Cr to 9.56 Cr (Net recovery of 4.15 Cr.)

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 hosted on cloud in state-of-the-art data center, maximum uptime of IT Infrastructure, systems and services could be achieved without any loss-time of operation.

The year 2023-24 witnessed various digitization initiatives both within SAP and independent of it. Your company has mapped the Industrial & Sourcing data in SAP, Customized reports for F&A and C&P and implemented the Scheme for D- PNG Customers for PNGRB Campaign & rolled out in SAP for New GA's, which has reduced the business risk & improved compliance of the organization in effective manner.

Your company has implemented Web based applications like Indent Requestion System, Asset Management System for Asset Tracking, Meter Repair Process System, Automation for Bank Guarantee for the organization. These systems were strengthened by introducing various controls & automated through application.

11. HUMAN RESOURCES

During the year HR department has made significant strides by developing and implementing various Policies & Programs to promote employee's overall development, crafting effective Human Resources management strategies to build a strong and productive workforce. MNGL has also inducted young professionals Management Trainees (MT) at entry level to infuse talent in the professional arena.

a. Training & Development

MNGL considers Training & Development an ongoing process that helps in achieving its organizational goals by improving the skills, tackling skill gaps, improving performance, increasing productivity, increase job satisfaction and knowledge enhancement of our employees. Our annual trainings include a mix of technical, functional & behavioral programs and are based on training needs identified in a joint effort of employee and manager keeping organizational and personal growth in mind.

b. Employee Benefits:

Your company is taking various HR initiatives to add value to its pool of human talent and integration of individual goals with that of Company. Company is reviewing HR and Employee related Policies /benefits for its employees to make them more competitive and aligned with industry practices. During the financial year HR has introduced 3 new policies viz Scheme for Providing Furniture/White Good Policy, Re-Designation of MNGL employees and Long Service Award to employees thereby, cultivating a strong employee bond and organizational culture.

c. Employee Wellness:

Employee well-being is paramount to our commitment for sustainable operations. HR actively engages in various initiatives aimed at promoting positivity, wellness, and good health among our employees and their families. Engagement events and wellness weeks are hosted across all GAs. Health Talks were conducted to educate employees on various health related topics. Comprehensive health Checkup camp was also organized for all employees including eye examinations, dental check-ups and general physician consultations significantly contributed to overall well-being of employees. Blood Donation Camp organized during the year saw good response.

d. Sports:

MNGL promotes Sports at workplace and organized Annual Sports event. Variety of Indoor & Outdoor

sports have significantly contributed to employees physical and mental wellbeing & enhanced collaboration among employees. MNGL being the Member of the Petroleum Sports Promotion Board (PSPB) hosted the 19th Inter-Unit Billiards & Snooker Tournament in Pune.

e. Zero Tolerance for Harassment at Workplace:

Your Company is committed to upholding a Zero-tolerance policy towards harassment as mandated by the POSH Act. The Internal Complaints Committee (ICC) is well-trained and aims to create a safe and inclusive workplace for all employees.

12. HEALTH, SAFETY AND ENVIRONMENT (HSE)

At MNGL, safety is ingrained as a fundamental aspect of its organizational culture. Throughout the fiscal year 2023-2024, the company continued its unwavering commitment to promoting positive Health, Safety, and Environment (HSE) practices. This summary highlights the Company's significant achievements, initiatives, and ongoing efforts to ensure the well-being of its employees, contractors, and the communities it serves:

Health and Safety Initiatives

Safety Management System (SMS)

- HSE Training: Comprehensive training programs focused on safety induction, hazard identification, risk assessment, and emergency response were conducted.
- Safety Audits: Regular safety audits were carried out at all geographical areas (GAs) and project sites to ensure compliance with industry standards and regulatory requirements.
- Digital Safety App (Perwah): Introduced to streamline permit-to-work processes and enhance safety measures on-site, with over 400 online permits processed during the fiscal year.

External Audits and Compliance

- Statutory Safety Audits: Underwent external safety audits, including IMS, ERDMP, and T4S, across all GAs to adhere to PNGRB requirements.
- Factory Act Compliance: Successfully passed external audits by the Directorate of Industrial Health and Safety (DISH) to comply with the Factory Act of 1948.

Incident Management and Prevention

- Zero Lost Time Incidents (LTI): Achieved zero LTIs in FY 23-24, continuing the trend since FY 20-21, with a total of 29 accident-free million man-hours (MMH).
- SOP Development: Developed Standard Operating Procedures (SOPs) for nallah crossing and Management of Change (MOC) procedures to minimize incidents.

Training and Awareness

- Employee Training: Conducted 670 training sessions covering 5182 personnel on various safety topics.
- Customer Safety Awareness: Trained over 290 societies and 3,000 personnel on safety measures, prioritizing customer safety.

Environmental Initiatives

Emergency Response and Environmental Stewardship

- Live Fire-Fighting Training: Collaborated with ONGC to conduct specialized fire-fighting training, enhancing emergency response capabilities.
- Accolades and Awards: Received prestigious awards at the national and international levels, recognizing our commitment to safety and environmental stewardship. Platinum awards for safety excellence (FAME AWARDS), Greentech Safety Awards 2023 for innovative safety practices and Maharashtra Safety Awards for lowest average accident frequency rate and longest accident-free period received from National Safety Council during the FY 23-24.

Infrastructure and Standards

- Quick Response Vehicle (QRV): Implemented at LNG Pathardi to enhance emergency response capabilities.
- ISO 45001:2018 Certification: certification of ISO 45001:2018 is under process across all geographical areas to align with international standards of occupational health and safety.

MNGL remains steadfast in its commitment to maintaining a safe, healthy, and environmentally responsible workplace. Through continuous improvement, training, and adherence to applicable standards, MNGL strives to maintain a safe environment for its employees and its customers.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)



In the fiscal year 2023-24, MNGL concentrated its CSR efforts on four key areas: Education, Health, Women Empowerment, and Environmental Sustainability. These

projects, aligned with Schedule VII of the Companies Act, 2013, are designed to maximize social impact. Our educational initiatives provide access to quality learning opportunities for underprivileged children, while our health programs aim to improve healthcare access and outcomes for marginalized communities. Additionally, MNGL's CSR programs empower women through skill development and livelihood programs, fostering their economic independence and social equality. MNGL's environmental sustainability projects promote green practices and aim to reduce ecological footprint. Each initiative reflects our dedication to creating a positive societal impact, ensure

List of the Projects Supported in the FY 2023-24 by MNGL:

Education

Provided CNG fueled school bus for the underprivileged students belonging from tribal area of Trimbakeshwar, Nashik with implementation partner Bramhachari Someshwar Chaitanya Kalyankari Sanstha (BSCKS)

Supported Free Foreign Language Education to the underprivileged students from Pune, PCMC, Nashik, Dhule, Sindhudurg, and Ramnagara with the implementation partner Novel Institute of Business Management & Research (NIBMR)



Orientation of Foreign Language Education in school

Supported promotion of education for differently abled children with the implementation partner Dhurv Educational & Research Foundation, which provides not only inclusive education but also career counseling, psychological counseling, and specialized courses and training.



Provided support for study Guidance centers in underprivileged communities with the implementation partner Janseva Nyas, to run 30 Abhyasika (with the aim of reducing school dropout rate of slum students, runs free tuition classes for students from 1st to 9th standard in slums).



Career Counselling session with the student & Parents.

Provided support for School development project with the implementation partner Dnyanjyoti Shaikshanik va Sanskrutik Sanstha, which included ground development, installing wooden flooring and mirror fittings in the cultural hall, providing a wooden rack for instruments, 50 benches, a DVR with accessories, an 80-liter water cooler, and a commercial RO system. Ground development also encompassed the construction of a classroom with a toilet, a shed on the ground, and a plinth.

Deployment of Annie Smart Class in blind schools with the implementation partner Yuvaspark



Individual Counselling sessions with children with learning difficulties

Health:

Supported project to distribute customized artificial limbs to 800 divyang people with the implementation partner Nav Bharat Vikas Parishad in Pune and through camps in Nashik, Dhule, Sindhudurg and Nanded.

Provided Mobile Medical Unit with dental and Eye check-up set up with the implementation partner Samarth Yuva Foundation. This Mobile Medical Van, which is fitted with comprehensive dental and eye examination facilities, is also equipped with advanced medical testing equipment, enabling a wide range of diagnostic tests to be conducted on-site.



Renovation of cultural hall



Dental check-up in Mobile Medical Van



Supported a project for distribution of menstrual napkins in 15 villages of Nanded through implementation partner Desai Foundation. This project is dedicated to providing free menstrual pads to 1500 women across 15 villages in the Nanded region of Maharashtra. This initiative is a keystone to making a generous impact, empowering women in their daily lives.

Free Sanitary Napkins Distribution



Menstrual Hygiene Awareness sessions



Skill Development / Women Empowerment

Supported a project to provide Skills on Wheels to underprivileged students through implementation partner Lend A Hand India. The existing model implemented by Lend a Hand India is equipped to demonstrate 7 skill applications namely- Electro Mechanical; Basic Engineering; Energy and Environment; Health and Hygiene; Food processing Techniques; Gardening, Nursery and Agriculture; Automobile Engineering.

Provided vocational skills training program for underprivileged youth through implementation partner Saraswati Mandir Sanstha

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 "A"

15. PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration exceeding the limits set out under Section 197 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, 2024, 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, 2024 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

Shri Pawan Kumar, Nominee Director representing IGL on the Board of MNGL ceased to be the Director of MNGL w.e.f. 30th April, 2024 and in his place the nomination of Shri Mohit Bhatia was received from IGL. Accordingly, Shri Mohit Bhatia, Director (Commercial), IGL is appointed as an

Additional Director on the Board of MNGL w.e.f. 3rd May, 2024. The same is put up for approval of the Shareholders at this ensuing 18th AGM for regularizing his appointment as a Nominee Director.

Shri Sanjay Sharma ceased to be the Director (Commercial) of the company on 30th July, 2024 as per the communication received from the parent company i.e. BPCL. Subsequently, on receipt of nomination from BPCL, Shri Shankar Karajagi was appointed as a Director (Commercial) of your company w.e.f. 1st August, 2024. The same is put up for Shareholder's approval at this 18th Annual General Meeting.

Smt. Bageshree Manthalkar was appointed as an Independent Director of the Company for a term of 3 consecutive years pursuant to Section 149 of the Act, read with the Appointment Rules by the Board, to hold office up to March 19, 2024. The Board of Directors at its meeting held on March 19, 2024, as per the provisions of section 161, 152, 149, proposed re-appointment Smt. Bageshree Manthalkar (DIN: 07914288), as an Independent Director for a second term of 3 (three) consecutive years commencing from 19th March, 2024, to 18th March, 2027, not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

The Board takes this opportunity to place on record its appreciation for the contributions made by Shri Sanjay Sharma and Shri Pawan Kumar during their tenure as Directors of the company.

The evaluation of performance of the Board as a whole and the Committees of Board is carried out by the practicing professional based on the general criteria of performance evaluation.

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

18. DEPOSITS

During the Financial Year 2023-24, 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 & AUDIT REPORTS:

- Statutory Auditors**

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s. B. K. Khare & Co., Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2023-24.

The Statutory Auditors have been paid a remuneration of ₹20,00,000/- plus taxes towards audit fee. This fee is inclusive of Statutory Audit Fee, Fees for Limited Review, IFC Certification Fees and out of pocket expenses. There were no any adverse comments by the Statutory Auditors. The Report given by the Statutory Auditors and the Comments of Comptroller & Auditor General of India (C&AG) on the financial statements for FY 2023-24 along with Management reply thereon forms part of the Annual Report.

REPORTING OF FRAUDS BY AUDITORS

The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Companies Act, 2013, during the financial year under review.

- Cost Auditors**

The cost audit was conducted by the appointed Cost Auditors M/s. Dhananjay V. Joshi & Associates and the report for the financial year 2023-24, has been prepared and submitted by the Cost Auditors. There were no adverse comments.

- Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, Your Company had appointed M/s. CS Chetan Kumbhojkar, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report confirming compliance to applicable provisions of the Companies Act 2013 and other applicable laws forms part of this Report and the same is self-explanatory and do not call for any further comments.

19.2 RELATED PARTY TRANSACTIONS:

All Related party Transactions during the financial year were on arm's length basis and were in the ordinary course of business as per the provisions of section 188 of the Companies Act, 2013. The details of the same are enclosed in Form No. AOC-2 as attached.

19.3 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 ₹ 20,000/- per Board Meeting and ₹ 10,000/- per committee meeting for attending the meetings. Total sitting fees paid during the financial year under review were ₹ 17,70,000/-

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

19.4 RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL ADEQUACY

During the financial year 2023-24, the Company has adhered to the Risk Management System including the Risk Policy & identification of the Risks 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 Risk Management Policy is followed thoroughly by your company.

The contents of Risk Management Policy of MNGL are displayed on MNGL's website at: <https://mngl.in/investors/investor-policies>

19.5 WHISTLE BLOWER POLICY AS A PART OF VIGIL MECHANISM:

The whistle blower policy of your Company has robust framework which encourages employees to blow a whistle if they came across any act of breach of contract, negligence and manipulation of Company records, financial irregularity etc.

It provides a platform to the whistle blowers to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Policy is designed in such a way that it provides the protection & confidentiality to the whistle blower.

The company has also framed & implemented Vigilance Mechanism Policy considering the interest of all those who are connected to the company and who want to report genuine concerns within the organization. The Head of the Internal Audit department is acting as the Vigilance Officer under the Vigilance Mechanism policy of the Company.

The basic difference between the Whistle Blower Policy and Vigil Mechanism Policy is the Whistle Blower Policy is restricted to the employees of the company whereas Vigil Mechanism Policy has wider scope. Further, Whistle blower Policy is a part of Vigilance Mechanism of the company.

During the year under review, your company has not received any complaints against any employee or member of the organization under the Whistle Blower policy and Vigil Mechanism Policy of the Company.

The contents of Whistle Blower Policy of MNGL are displayed on MNGL's website at: <https://mngl.in/investors/investor-policies>

19.6 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Your Company does not have any subsidiaries, Joint Venture and Associate companies as on 31st March, 2024.

19.7 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 H. K. Srivastava is liable to retire by rotation at the ensuing Annual General Meeting and being eligible will be re-appointed by the Shareholders.

During the year 2023-24, following **directors/Key Managerial Personnel were appointed on the Board of MNGL:**

Sr. No	Date	Name of the KMP/ Director	Particulars
1.	05.05.2023	Shri H. K. Srivastava (DIN: 07855541)	Appointed as an Additional Director and regularized as Nominee Director on approval of shareholders in previous 17th AGM, as per the nomination by GAIL.
2.	19.06.2023	Shri K. K. Chatiwal (DIN: 08234672)	Appointed as an Additional Director and regularized as Nominee Director on approval of shareholders in previous 17th AGM, as per the nomination by IGL.

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.	05.05.2023	Shri Deepak Gupta (DIN: 09503339)	He ceased to be a Nominee Director representing GAIL due to resignation.
2	15.06.2023	Shri Sanjay Kumar (DIN: 08346704)	He ceased to be a Nominee Director representing IGL due to resignation.

The Board places on record its deep appreciation for the valuable services rendered by outgoing Directors during their association with your Company.

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

b. Compositions:

The Company has Seven Directors on its Board comprising two Executive Directors namely Managing Director and Director (Commercial), one Non-Executive & Independent Director and four Non-Executive Nominee Directors. The composition and category of Directors along with other Directorships as on March 31, 2024 are as under:

Sr. No	Date	Executive/ Non-Executive/ Independent	Directorship in other public / Private company
1.	Shri Anilkumar P (DIN: 09612271)	Chairman & Non-Executive Director	Nil
2.	Shri Kumar Shanker (DIN: 09533240)	Managing Director	Nil
3.	Shri Sanjay Sharma (DIN: 09025971)	Director (Commercial)	Nil
4.	Shri H K Srivastav (DIN: 07855541)	Nominee & Non-Executive Director (w.e.f. 05.05.2023)	Nil
5.	Shri Pawan Kumar (DIN: 09419599)	Nominee & Non-Executive Director	Indraprastha Gas Ltd.
6.	Shri K. K. Chatiwal (DIN: 08234672)	Nominee & Non-Executive Director (w.e.f. 19.06.2023)	Indraprastha Gas Limited
7.	Smt. Bageshree Manthalkar (DIN: 07914288)	Independent Director	Nil

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE

The Board confirms that Independent Director appointed by the Company possess integrity, expertise and experience.

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 2023-24, the Board met 12 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	11/04/2023	7	16/08/2023
2	04/05/2023	8	08/09/2023
3	31/05/2023		09/09/2023
4	05/06/2023	9	16/11/2023
5	20/06/2023	10	08/01/2024
6	11/07/2023	11	02/02/2024
		12	19/03/2024

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

Sr. No	Name of Directors	Executive/ Non-Executive/ Independent	No. of Meetings held	No of meeting attended	%
1.	Shri Anilkumar P (DIN: 09612271)	Nominee & Non-Executive Director	12	12	100
2.	Shri Kumar Shanker (DIN: 09533240)	Managing Director	12	11	92
3.	Shri Sanjay Sharma (DIN: 09025971)	Director (Commercial)	12	12	100
4.	Shri Deepak Gupta (DIN: 09503339)	Nominee & Non-Executive Director	*2	2	100
5.	Shri H K Srivastav (DIN: 07855541)	Nominee & Non-Executive Director	*10	10	100
6.	Shri Sanjay Kumar (DIN: 08346704)	Nominee & Non-Executive Director	*3	3	100
7.	Shri K K Chatiwal (DIN: 08234672)	Nominee & Non-Executive Director	*8	7	88
8.	Shri Pawan Kumar (DIN: 09419599)	Nominee & Non-Executive Director	12	11	92
9.	Shri Bageshree Manthalkar (DIN: 07914288)	Independent Director	12	11	92

* 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.	15 th AGM	28.09.2021	Through VC
2.	16 th AGM	23.09.2022	Corporate Office, Baner, Pune - 411045
3.	17 th AGM	29.09.2023	Corporate Office, Baner, Pune – 411045

Attendance of Directors in the last Annual General Meeting held on 29th September, 2023 is as under:

Sr. No	No. of Meeting	Executive/Non-Executive/ Independent	Attendance at the Meeting
			29.09.2023
1.	Shri Anilkumar P	Chairman & Non-Executive Nominee Director	Yes
2.	Shri Kumar Shanker	Managing Director	Yes
3.	Shri Sanjay Sharma	Director (Commercial)	Yes
4.	Shri H K Srivastav	Non-Executive Nominee Director	Yes
5.	Shri K K Chatiwal	Non-Executive Nominee Director	Yes
6.	Shri Pawan Kumar	Non-Executive Nominee Director	Yes
7.	Smt. Bageshree Manthalkar	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, no changes were taken place in case of the Key Managerial Personnel (KMP) of the Company.

f. Declaration of Independence

The Independent Director have submitted her disclosure to the Board that she fulfills all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify herself to be appointed as an Independent Director 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 Director Smt. Bageshree Manthalkar confirming that she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

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

Your company has voluntarily constituted the following committees of the Board:

1. Audit Committee:

The Audit Committee formation & functions as mentioned in the provision of section 177 of the Companies Act, 2013 is exempted & not applicable for the company as per the notification of MCA dated 5th July, 2017. Therefore, the Audit Committee & the processes followed are as per the general practice of the company.

As on 31st March, 2024, the Committee comprises of Smt. Bageshree Manthalkar, Independent Director as the Chairperson of the Committee; Shri Pawan Kumar, Non-executive Nominee Director, Shri Kumar Shanker, Managing Director and Shri Sanjay Sharma, Director (Commercial) as Members 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.

Six meetings of the Audit Committee were held during the Financial Year 2023-24 on the following dates:

Sr. No	No. of Meeting
1.	11.04.2023
2.	03.05.2023
3.	11.07.2023
4.	08.09.2023
5.	08.01.2024
6.	15.03.2024

The no. of Audit Committee Meetings attended by the members of the Audit Committee in the FY. ended on 31.03.2023 are as follows:

Sr. No	Name	Designation	No. of Meetings attended	%
1	Smt. Bageshree Manthalkar	Chairperson & Member (Independent Director)	6	100%
2	Shri Pawan Kumar	Member (Nominee Director)	6	100%
3	Shri Sanjay Sharma	Member (Director (Commercial))	6	100%
4	Shri Kumar Shanker	Member (Managing Director)	6	100%

2. Nomination and Remuneration Committee:

The NRC formation & functions mentioned in the provision of section 178 of the Companies Act, 2013 are exempted & not applicable for the company as per the notification of MCA dated 5th July, 2017. Therefore, the Nomination & Remuneration Committee (NRC) & the processes followed are as per the general practice of the company.

As on 31st March 2024, the Committee comprises of Smt. Bageshree Manthalkar, Independent Director as the Chairperson of the Committee; Shri Kumar Shanker, Managing Director and Shri Sanjay Sharma Director (Commercial) as the Members.

The quorum for the meetings of the Committee is two Members. The Company Secretary acts as the Secretary to NRC.

During the year 2023-24, Three meetings of the Nomination and Remuneration Committee were held as follows:

Sr. No	Dates of NRC Committee Meeting
1.	31.05.2023
2.	08.01.2024
3.	11.03.2024

The no. of NRC Committee Meetings attended by the members of the NRC Committee in the FY. ended on 31.03.2024:

Sr. No	Name	Designation	No. of Meetings attended	%
1	Smt. Bageshree Manthalkar	Chairperson & Member (Independent Director)	3	100%
2	Shri Kumar Shanker	Member (Managing Director)	3	100%
3	Shri Sanjay Sharma	Member (Director (Commercial))	3	100%

3. Corporate Social Responsibility Committee

The composition powers, role, and terms of reference of the CSR Committee are in accordance with the requirements mandated under section 135 of the Companies Act, 2013. As on 31st March, 2024, the Committee comprises of Smt. Bageshree Manthalkar, Independent Director as the Chairperson of the Committee, Shri Pawan Kumar, Non-executive Nominee Director, Shri Kumar Shanker, Managing Director and Shri Sanjay Sharma, Director (Commercial) as Members of the Audit Committee.

The quorum for the meetings of the Committee is two Members. The Company Secretary acts as the Secretary to the Audit Committee.

During the year 2023-24, 3 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.	23.10.2024
2.	08.01.2024
3.	18.03.2024

The no. of CSR Committee Meetings attended by the members of the CSR Committee in the FY. ended on 31.03.2024:

Sr. No	Name	Designation	No. of Meetings attended	%
1	Smt. Bageshree Manthalkar	Chairperson & Member (Independent Director)	3	100
2	Shri Pawan Kumar	Member (Nominee Director)	3	100
3	Shri Kumar Shanker	Member (Managing Director)	3	100
4	Shri Sanjay Sharma	Member (Director (Commercial))	3	100

19.9 MANAGEMENT DISCUSSION AND ANALYSIS

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

19.10 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, 2024 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.

19.11 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2024

Shareholding Pattern of the Company as on 31st March, 2024 is as follows:

Sr. No	Name of Directors	No of Equity Shares held @ ₹ 10/- each	% of Shares held
1	GAIL (India) Limited	2,24,99,996	22.50
2	Other (individual jointly with GAIL India Limited)	4	0.00
3	Bharat Petroleum Corporation Limited	2,24,99,600	22.50
4	Bharat Petroleum Corp. Ltd. (jointly with individual)	100	0.00
5	Maharashtra Industrial Development Corporation(MIDC	50,00,000	5.00
6	Indraprastha Gas Limited	5,00,00,000	50.00
7	Others (Individuals)	300	0.00
	Total	10,00,00,000	100%

19.12 ANNUAL RETURN:

Pursuant to the provisions of Sections 92(3) and 134(3) of the Companies Act, 2013 read with Rules made thereunder, the copy of Annual Return is available on the website of the Company i.e. www.mngl.in

19.13 DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

Your Company neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

19.14 THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your Company has not obtained any one-time settlement of loan from the Banks or Financial Institutions.

20. General:

Your Director's state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to Deposits covered under chapter V of the Act.
- Issue of Equity Shares with differential rights as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except Employees Stock option plan referred to in this report

- Neither the Managing Director nor the Whole-time Director of the company receive any commission from the company
- The company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees
- No material changes and commitments have occurred between the end of the Financial Year of the company to which the Financial Statements relate and the date of the Report affecting the financial position of the company
- No significant orders were passed by the Regulators or Courts or Tribunals impact the going concern status and company's operation in future

21. 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 support received from Statutory Auditors and CAG.

Your Directors also acknowledge the patronage received from its promoters, GAIL (India) Limited, Bharat Petroleum Corporation Limited and major 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/-
Shankar Karajagi
Director (Commercial)

Sd/-
Kumar Shankar
Managing Director

Place: Pune
Date: 26.08.2024

ANNEXURE- “A”

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2023-24

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. Completed Conversion of 2250 WL cascades to 4500 WL cascades for higher capacity of Gas Holding and lowered the turnaround time of LCV.
 - b. Effective reduction in greenhouse gas emission due to lower number of LCV trips.
 - c. Brought down the total gas loss from 1.91% in FY 2022-23 to 1.80% in 2023-24 i.e. an approx. 6% reduction in gas emissions/losses.
 - d. Maintaining Power Factor above 0.95 to avoid excessive power consumption and PF penalty.
 - e. Maximum Operation of motor driven compressors in silent hours to avail benefit of lower tariff rates of MSEB during silent hours (10 PM- 6 AM).
 - f. Recurring Electricity savings of ₹ 1 Crores (approx.) by use of LED lights at all CNG outlets, offices etc.
 - g. Commissioned CGS at Ramanagara and Sindhudurg to reduce dependency on mobile cascades for gas supply, thus reducing our overall carbon footprint.

B. TECHNOLOGY ABSORPTION:

A. Efforts made towards technology Absorption	1. Completed External Corrosion Direct Assessment of 58 km of steel pipeline for the first time in MNGL to assess the healthiness of pipelines commissioned more than 10 years ago.
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"> 1. Benefits include ensuring of asset integrity, safe gas transportation network and increased capacity handling. 2. This will ultimately reduce cost of laying new pipelines to replace ageing pipelines. Since the health of pipeline was found optimum, the life span of the network was increased, including the gas carrying capacity.
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"> i. Technology imported ii. Year of import iii. Has technology been fully absorbed. iv. If not absorbed, areas where this has not taken place, reason therefore & future plan of action 	<ol style="list-style-type: none"> a. 12" USM installed at City Gate Station MS Chikhli. b. Helped in reduction of gas velocity at CGS to 14 m/sec. c. Helped in increased volume handling. d. Year of Import- 2023 e. Technology assimilated fully.
D. The expenditure incurred on Research and Development	NIL

Other initiatives

- Calibration of 40 RPD meters completed to ensure higher metering accuracy.
- Completed diversion of 10" steel line at Navale Bridge to Katraj Chowk of approx. 3.2 Kms through NHAI utility corridor, thus completing looping of entire PMC steel line network.

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- “B”**MANAGEMENT DISCUSSION AND ANALYSIS****Global economy**

The global economy in FY 2023-24 was a mixed landscape, shaped by the aftermath of the COVID-19 recovery, persistent geopolitical tensions, inflationary pressures, and the ongoing energy transition. While advanced economies including the US and Europe, slowed down due to tight monetary policies, emerging markets including India, Vietnam and Mexico showed more resilience.

The Russia-Ukraine conflict continued to affect global trade and energy markets. Sanctions on Russia and disruptions in supply chains, particularly for commodities like oil and gas, created challenges for economies dependent on these resources. This energy crisis also led to a short-term resurgence in fossil fuel use, especially in Europe, as nations sought energy security. Amidst all these developments, energy transition measures including the shift toward renewable energy also accelerated, with significant investments in green technologies.

Outlook for global economy

Growth in global economy in FY 2023-24 was positive but uneven. Although the global economy is facing various uncertainties heading into the next fiscal year, yet it is expected to sustain its growth rate at about 3.2% for both CY 2024 and CY 2025. Continuing geopolitical risks, easing of inflationary pressures, and the transition toward a more sustainable economy are likely to remain key themes. Businesses will need to remain agile in navigating these challenges while capitalizing on emerging opportunities.

Indian economy

Despite a modestly growing global economy, India demonstrated robust performance in the year under review, making it one of the fastest-growing economies in the world. According to the estimates of National Statistical Office (NSO), India's economy has expanded 7.8% in Q4, lifting the growth rate of FY2024 to 8.2%. This growth can be attributed to robust fiscal management, strong domestic consumption and effective government investments.

Key economic indicators such as robust credit growth, buoyant GST collections and favourable Purchasing Managers' Index (PMI) readings for both the manufacturing and services sectors indicate a healthy economic trajectory. Notably, the manufacturing PMI consistently remained above the 50-mark, reflecting strong sectoral growth.

Overall, India's strategy of augmenting public capital expenditure while maintaining fiscal prudence have laid a solid foundation for sustained growth and macroeconomic stability in the years ahead.²

Outlook for Indian economy

Looking ahead, the Indian economy is expected to maintain its growth momentum in the upcoming years. The Asian Development Bank (ADB) estimates India's gross domestic product (GDP) growth for 2024-25 (FY25) to be 7%, catalysed by robust development in the services sector and increased public and private investments. This optimistic forecast is underpinned by substantial public and private investments in crucial infrastructure projects, catalysing economic activity across sectors such as energy, transportation, housing and urban development.

Natural Gas Industry

The natural gas industry in India has experienced significant growth, driven by increasing demand and favourable policies. The country consumed 66.6 Billion Cubic Meter (BCM) of natural gas in FY2023-2024, marking a 4.6% growth.

At this stage of growth of the Indian natural gas sector, infrastructure development remains as one of the key focus areas, with an operational transmission pipeline network of 23,390 kms as of December 2023 and an additional 4,125 kms under construction. The National Gas Grid coverage aims to increase the length of inter-connected transmission pipeline network to 34,500 kms to connect all states with the trunk natural gas pipeline network in the next few years. In parallel, City Gas Distribution (CGD) networks have been authorised to cover 88% of the nation's geographical area and 98% of the population, which is expected to establish about 17,700 Compressed Natural Gas (CNG) stations by 2030.

Additionally, the Petroleum & Natural Gas Regulatory Board (PNGRB) has notified regulations for implementing Unified Tariff for National Gas Grid System (NGGS) so as to rationalize the transmission pipeline transportation charges, and the Government has introduced new domestic gas pricing mechanism for making the domestic gas prices more stable and affordable for priority sectors like CGD and Fertilizer industries.

City Gas Distribution Sector

The City Gas Distribution (CGD) network in India has witnessed remarkable growth, driven by the government's efforts to promote cleaner energy sources. The recent conclusion of the 12th CGD Bidding Round by PNGRB marks a significant stride towards achieving 100% coverage of the country's area. This round covered 8 new geographical areas including 6 north-eastern states and 2 union territories, which sums up to a total of 103 districts. With this, the entire country, except for the islands, has now been authorized for the development of the CGD networks.

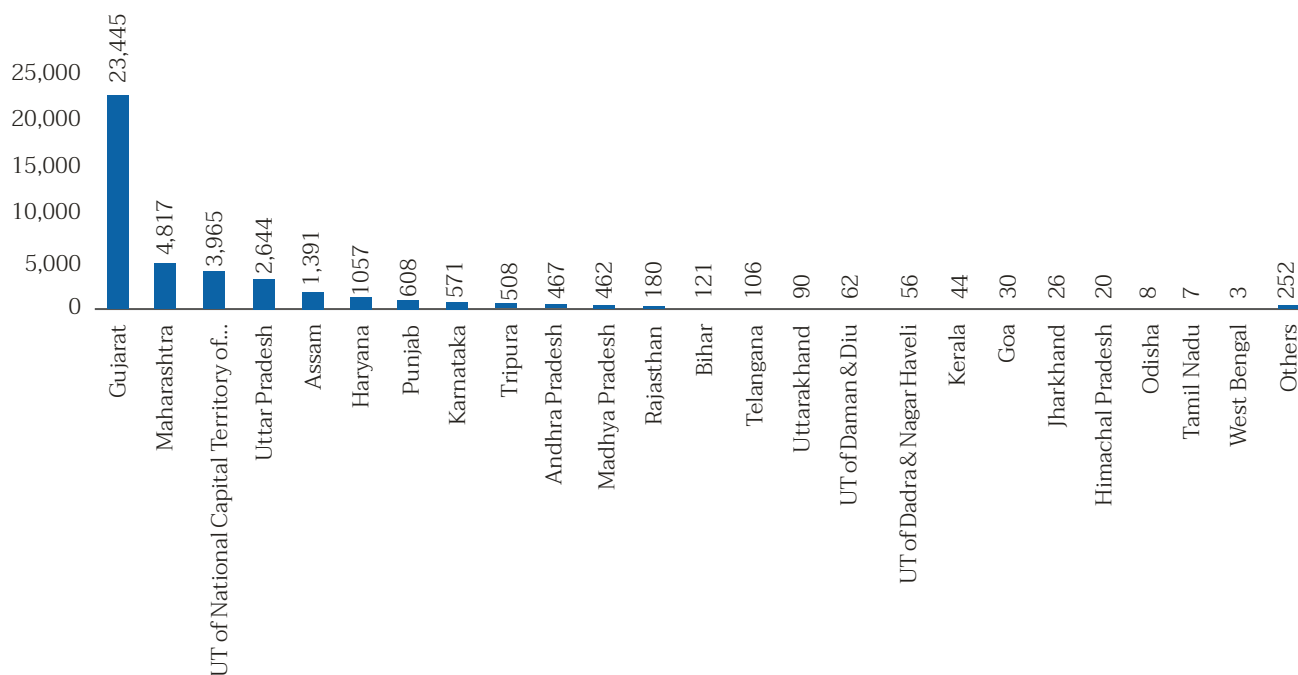
¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=2010223>

² https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf

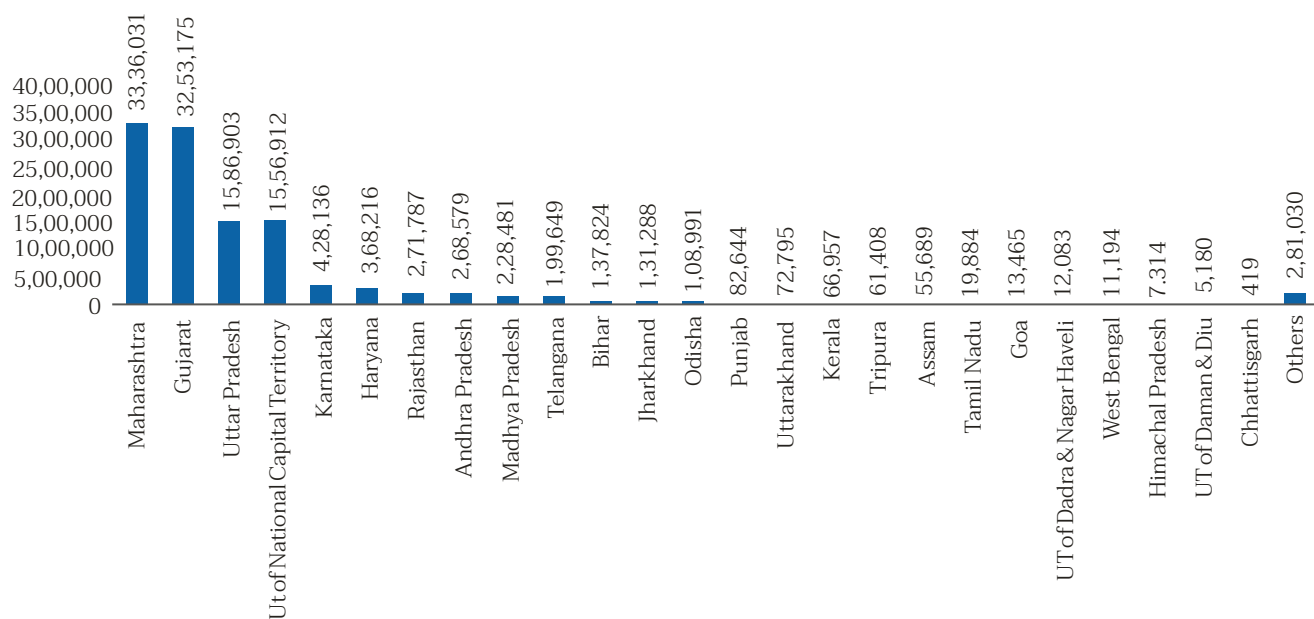
³ <https://www.investindia.gov.in/sector/oil-gas>

⁴ <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2011361>

Commercial PNG Connections in India - By State (as on February 29, 2024)



Domestic PNG Connections in India - By State (as on February 29, 2024)



Outlook for City Gas Distribution sector

The growth outlook for the City Gas Distribution (CGD) sector in FY 2024-25 is expected to be positive, driven by several factors:

1. **Increased Demand:** With rising urbanization and a shift towards cleaner energy sources, the demand for natural gas in transport, residential, commercial, and industrial sectors is likely to grow in double digit in the coming years.
2. **Government Policies:** Government is keenly promoting natural gas as a cleaner alternative to coal and oil. Policies and incentives aimed at expanding CGD networks are expected to boost growth.
3. **Regulatory Support:** PNGRB regulations are also evolving in keeping with the requirements of the sector, and thus, in addition to the regulatory role, PNGRB is also playing an enabling role in support of the development of the CGD sector.
4. **Infrastructure Development:** Continued development of pipeline infrastructure and distribution networks will enhance the reach of CGD services. This includes expanding into new geographical areas and upgrading existing facilities.
5. **Environmental Regulations:** Stricter environmental regulations are encouraging industries to switch to natural gas, further supporting CGD sector growth.
6. **CGD Industry Initiatives:** CGD industries are investing heavily in developing Piped Natural Gas (PNG) and Compressed Natural Gas (CNG) infrastructure and are also actively promoting the usage of natural gas as a more competitive alternate fuel in transport, residential, commercial, and industrial segments.
7. **Technological Advancements:** Innovations in technology related to gas metering, safety, and monitoring will improve efficiency and service reliability, attracting more customers.
2. **Monsoon Window:** In heavy monsoon prone areas including Pune, permissions are not granted for work execution during monsoon window, and as a result, only a limited period of 6-7 months are available for taking up works as This can be ameliorated by processing documentation jobs during the monsoon window so that works can quickly start after the monsoon period is over.
3. **Third-party damages:** Damages to operational networks result in not only supply disruptions but also safety issues. More stringent protocols and prior training for third-party operators have to be mandated to reduce such incidents.
4. **Land Availability:** Allocation and acquisition of land parcels at reasonable charges for CNG Stations, DRS stations etc. pose a major challenge for CGD network development. Earmarking plots for such purposes at the stage of urban/town planning or amendments in town planning would be helpful to address this issue.
5. **Reduced Domestic Gas Supplies and Fluctuations in Imported Gas Prices:** Declining availability of domestic APM gas, coupled with volatility in the prices of imported gas, substantially affects the input cost of gas. As a result, even after absorbing a major portion of such cost escalations, at times it becomes necessary to pass-on some portion of the incremental costs to customers.
6. **Tax disadvantages for natural gas:** Natural gas still suffers from cascading, non-uniform and higher taxes. Auto-LPG, which is a more carbon intensive fuel enjoys lesser taxation vis-à-vis natural gas, which in turn majorly impacts CNG penetration in many southern states.
7. **EV promotion through subsidies:** Even though natural gas/CNG/LNG is being considered as bridging clean fuel for India's energy transition, due to its exclusion from GST regime, it is already having disadvantages of high and cascading taxes. On the other hand, EVs not only enjoy favorable tax regime, but they also greatly benefit from prolonged subsidies being granted for them. It is imperative to re-look at tax rates and tax structure for CNG/LCNG, so that CNG/LCNG can also co-exist with other alternate fuels.

Overall, the CGD sector is poised for continued growth in FY 2024-25, driven by a combination of demand dynamics, supportive policies & regulations, and infrastructure investments.

Challenges for CGD Industry

While the growth outlook remains positive for the CGD sector, there are a few challenges as well. These include:

1. **Permissions & Clearances:** Laying of steel and MDPE pipelines involves obtaining permissions and clearances from multiple authorities, which if streamlined, can expedite CGD infrastructure development. Also, the permission and restoration charges payable to authorities need reasonability, uniformity, and predictability. While, some state Governments have addressed these issues through enabling state-level policy guidelines, it would be helpful if a uniform model policy guideline is brought out in this regard which would be adopted throughout the country.

MNGL – Journey and Overview

In 2006, Maharashtra Natural Gas Limited (MNGL) was jointly promoted by BPCL and GAIL (India) Limited. Now MNGL has two more equity partners, namely, M/s IGL and the State Government of Maharashtra through MIDC.

In 2008, MNGL commenced its business operations by inaugurating its first CNG station in Pune. Within 10 years, by 2017, MNGL established its 50th CNG station in Pune. Growing from strength to strength, now, during FY 2023-24, more than 100 CNG stations have already been operationalized in Pune itself, which is one of the highest numbers for any non-capital metro city in the country.

On the Domestic Piped Natural Gas (DPNG) front, in 2010, MNGL took a pioneering initiative to set up a De-Compression

System (DCS) for serving domestic consumers in Pune. Later, many other entities have followed suit, and today DCS is being deployed in many places to serve domestic and C&I customers where pipelines are yet to reach.

In 2018, MNGL won authorizations for three new Geographical Areas (GAs) under the 9th CGD Bidding Round, namely, (i) Nashik District/ Dhule District in Maharashtra and part of Valsad District in Gujarat (ii) Sindhudurg district in Maharashtra and (iii) Ramanagara (recently named as Bengaluru-South) district in Karnataka.

By 2020, MNGL's total revenues crossed Rs 1,000 crore, and by 2021 MNGL achieved the feat of crossing daily average sales of 1.0 Million SCMD. At that time, out of the about 45 CGD companies in the country, only 5 CGD companies had crossed this major milestone.

In 2022, MNGL won authorizations for two more new Geographical Areas (GAs) under the 11th CGD Bidding Round, namely, (i) Nanded/Parbhani/Buldhana districts in Maharashtra and (ii) Nizamabad/Kamareddy/Nirmal/Asifabad/Adilabad/Mancherial districts in Telangana. Also, among the entities who were authorized under 11th CGD bidding round, MNGL is one of the first few entities to commission a CNG station within a span of just 6 Months time after authorization.

By 2023, MNGL crossed the daily peak sale of 1.5 Million SCMD, and now in FY 2023-24 MNGL's total revenues have crossed the milestone of Rs 3,000 crore.

As on 31st March, 2024, MNGL has established infrastructure for more than 8.5 lakh DPNG connections, which makes it as the fourth largest CGD entity in the country in this regard. In terms of profitability (EBITDA, PBT, PAT), MNGL is already the fifth largest CGD company in the country, and furthermore, in terms of sales volumes and revenues, MNGL is currently the sixth largest CGD company. All these top positions have been attained by MNGL with just six GAs. This is a remarkable feat in itself if one considers the fact that many other top CGD companies in the country have multiple GAs under their fold. Also, it is even more remarkable if one considers the fact that till FY 2023-24, except MNGL's Pune GA, none of the other five GAs had continuous/direct flow of gas source/feed from any City Gate Station (CGS) connected to a trunk gas transmission pipeline.

During FY 2023-24, MNGL operationalized a City Gate Station (CGS) for Ramanagara GA at Bidadi, and another CGS for Sindhudurg GA as well. These two new City Gate Stations, besides improving the sourcing costs, will also enhance the service reach and reliability, thereby driving future growths of both these GAs.

MNGL has a strong in-house engineering team and has excellent project execution capability as well. MNGL is one of the very few entities that has consistently accomplished 100% achievement of its assigned GoI MoU targets for CNG Stations and D-PNG for FY: 22-23 and FY 23-24 as well.

Recently in 2024, MNGL achieved a milestone of peak daily sale of 1.75 Million SCM per Day. This historic mark has been achieved within a very short span of just 3 years i.e. from its

earlier achievement of 1.0 MMSCMD in 2021. To place this feat in perspective, it can be noted that it took 12 years to reach the milestone of the first 1.0 million units.

MNGL's Growth in Performance

Over the past five years, MNGL's Capex has risen from ₹162 crore in FY 2018-19 to ₹562.79 crore in FY 2023-24. During this period, infrastructure for Domestic Piped Natural Gas (DPNG) surged from 1,69,407 connections to 8,58,661, connections, thereby achieving a CAGR of 38.35%. MNGL's installed CNG stations have also expanded from 67 stations in FY 2018-19 to 246 stations in FY 2023-24, reflecting a compounded annual growth rate (CAGR) of 29.71%. In this period, Industrial and Commercial connections increased from 487 to 856, with a CAGR of 11.94%. Also, Steel and MDPE pipeline laying expanded from 1,394 kms to 3,402 kms, representing a CAGR of 19.53%.

MNGL's top-line revenue have grown from ₹ 909.84 Cr. in FY 2018-19 to ₹ 3,002 Cr. in FY 2023-24, reflecting a CAGR of 27%, and during the same five-year period, MNGL's bottom-line PAT has grown even better from ₹ 142.65 Cr. to ₹ 610 Cr, reflecting a CAGR of 34%, which is amongst the best in the industry. In terms of parameters reflecting cost efficiency and profitability per SCM of sale, MNGL's achievements have been consistently amongst the top league of performers in the industry.

Highlights of MNGL Performance in FY 2023-24

FY 2023-24 has been particularly notable for MNGL's continued impressive physical and infrastructure achievements. By adding about 1.68 lakh DPNG connections in FY23-24 which is the highest ever for MNGL in a single year, MNGL surpassed the cumulative tally of about 8.50 lakh D-PNG connections, thereby establishing itself as the fourth largest CGD entity in India in this regard.

In FY 23-24, 46 nos. of new CNG stations were added and 4 Daughter Booster stations were converted to Online stations and such addition of 50 stations within a single year is also the highest ever for MNGL in a single year so far.

Given CNG's significant potential for reducing harmful particulate emissions vis-à-vis diesel, particularly in large public/mass transportation systems, MNGL has been closely working with Pune's public bus transporter – PMPML – to expand the usage of CNG in Pune. At present PMPML is operating a fleet of about 1880 buses, out of which, about 1180 buses are CNG buses, 480 buses are EV buses and still about 220 buses are diesel buses. Strengthening the association and partnership with MNGL and taking into account the overall competitiveness of CNG buses vis-à-vis EV buses, PMPML took a decision to phase out their diesel buses, and procure about 500 new CNG buses for Pune. Already about 100 new CNG buses are under delivery to be deployed shortly in phases, and the tender process for remaining 400 new CNG buses is also underway. Similarly, in Nashik, about 70% of the fleet of city buses (280 buses), i.e. about 200 city buses are now running on CNG/LCNG being supplied by MNGL. Thus, MNGL has been making focused efforts to promote the usage CNG buses in public transportation systems which

would lead to cost effectiveness for the bus operators as well to environmental benefits to the public at large.

In FY 23-24, 164 Industrial & Commercial (I&C) connections were added, and a total of 637 kms of Steel & MDPE pipes were laid.

MNGL's gas sales volumes grew at 15% from 451.48 MMSCM in FY 2022-2023 to 518.25 MMSCM in FY 2023-2024. Importantly, all the business segments of MNGL, namely, CNG, Industrial & Commercial (I&C) and Domestic segments, contributed almost in equal percentages to the growth in sales volumes during this financial year. While CNG and I&C sales clocked growth rates of about 15% each, MNGL's DPNG volumes grew at about 13% in FY 2023-24.

MNGL's financial performance has been equally impressive in FY 2023-24 during which MNGL reached its highest ever total revenue of ₹3,001.88 crore. In this financial year, MNGL's EBITDA grew at a remarkable 41% to ₹961.53 crore, owing to improved gas sourcing along with achievement of excellent operational efficiency. On the back of such strong performance, MNGL's net profit also surged by 45% to ₹610.12 crore, thereby leading to an impressive PAT margin of about 20%, Earnings Per Share (EPS) of Rs 61.01 and superior Return on Equity (ROE) of 33%, all of which are amongst the highest in the industry.

MNGL's LNG/LCNG Foray

In Nashik GA, while awaiting the forthcoming connection from the Mumbai-Nagpur-Jharsuguda trunk pipeline, MNGL has commenced full-fledged operations by operating India's largest state-of-the-art LNG-LCNG facility at Pathardi. This facility, equipped with two 114 KL LNG storage tanks and three pressure streams (that is, high pressure at 200+ bar, medium pressure at 19 bar, and low pressure at 4 bar), ensured continuous supply of re-gasified natural gas to all the segments of CGD customers in and around Nashik, including CNG, Industrial & Commercial (I&C) and Domestic segments. During the fiscal year 2023-24, the Pathardi facility operated at optimum efficiency, achieving a daily throughput exceeding 100,000 SCMD, which is the highest for any CGD entity in the country. Furthermore, MNGL has recently augmented the facility's capacity by installing an additional 114 KL LNG storage tank, which will significantly enhance the daily gas supply to customers in Nashik.

Moreover, MNGL has lately introduced an LNG dispensing

facility at the Pathardi LNG-LCNG Station to serve the auto-LNG fuel needs of the long-haul transport sector. This development represents the addition of a new business segment, expanding MNGL's offerings beyond its core natural gas services.

In addition to the Pathardi, MNGL is setting up one another LNG/LCNG facility within its Nashik-Dhule GA at Zodge, which would also have all facilities similar to the Pathardi station, including LNG dispensing facility to cater to auto-LNG fuel for long-haul transport segment.

MNGL is actively exploring new growth opportunities within the Compressed Bio-Gas (CBG) sector, in alignment with the Government of India's 'GOBARDHAN' initiative. MNGL is already purchasing and selling CBG in its Pune GA, and we are evaluating the feasibility of directly injecting CBG into our CGD networks, aiming to enhance our offerings and support sustainable energy solutions.

In its commitment to technological advancement and environmental responsibility, MNGL has partnered with M/s Heath Consultants Incorporated (USA) under the U.S.-India Low Emissions Program. This collaboration is aimed at employing advanced technologies in the areas related to sustainability and safety, including monitoring and abatement of methane emissions from CGD operations.

Going forward, MNGL is in the process of assessing its strategic options to further expand its business both through organic and inorganic routes.

Thus, MNGL is striving to accelerate its growth momentum, which would further propel the company to unprecedented newer heights in the coming years, while simultaneously fostering the betterment of the society.

Cautionary Statement

MNGL's Management Discussion and Analysis may contain forward-looking statements that are subject to relevant securities laws and regulations. The actual results and outcomes may differ from those anticipated or implied. Key factors that could impact MNGL's performance include economic conditions affecting market demand, supply and pricing, as well as changes in government regulations, tax laws and other unforeseen circumstances.

ANNEXURE- “C”

Annual Report on Corporate Social Responsibility Activities (CSR) (Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 {Including any statutory modification(s) or re-enactment(s) for the time being in force})

1) Brief outline on CSR Policy of the Company:

As per MNGL's CSR policy, As prescribed in the Companies Act 2013, MNGL will spend 2% of the average net profit (calculated as per section 198 of the CA 2013) made by the Company during the three immediately preceding financial years. The thrust areas of the MNGL CSR are Education, Health, Skill development, community development etc.

2) Composition of CSR Committee:

Sr. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Bageshree Manthalkar	Chairperson	3	3
2	Pawan Kumar	Member		3
3	Kumar Shanker	Member		3
4	Sanjay Sharma	Member		3

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

<https://www.mnpl.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).

As per the provisions of the Companies Act, 2013 Not mandatory.

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

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	N.A		

6) Average net profit of the company as per section 135(5): ₹ 416.24 Cr.

7) (a) Two percent of average net profit of the company as per section 135(5): Rs 8.32 Cr.

(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): ₹ 8.32 Cr.

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
2,40,11,745/-	5,95,32,425/-	28/04/2024	NA		

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration (months)	Amount allocated for the project (In ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	To provide customized manufacturing & distribution of Modular Foot to 800 Divyang People		Yes	Maharashtra	Pune Nanded Nashik Dhule Sindhudurg	12	96,00,000/-	19,20,000/-	76,80,000/-	No	Nav Bharat Vikas Foundation	CSR00004408
2	To provide school bus for the underprivileged students belonging from tribal area of Trimbakeshwar, Nashik		Yes	Maharashtra	Nashik	12	38,82,924/-	31,06,339/-	7,76,585/-	No	Bramhachari Someshwar Chaitanya Kalyankari Sanstha (BSCKS)	CSR00012607
3	To provide Free Foreign Language Education and Assessment at National Level for the underprivileged students		Yes	Maharashtra	Pune Dhule Nashik Sindhudurg Ramanagara	12	3,50,000/-	70,000/-	2,80,000/-	No	Novel Institute of Business Management and Research	CSR00009621
4	Promotion of Education for differently abled children		Yes	Maharashtra	Pune	12	26,13,000/-	5,22,600/-	20,90,400/-	No	Dhruv Educational and Research Foundation	CSR00001581
5	Support for study Guidance canters' in underprivileged communities		Yes	Maharashtra	Pune	12	32,76,000/-	6,55,200/-	26,20,800/-	No	Janseva Nyas	CSR00047995
6	School development through ground development and equipment installation		Yes	Maharashtra	Pune	12	19,40,316	9,70,158	9,70,158	No	Dnyaniyoti Shaikshnik & Sanskrutik Sanstha	CSR00020192
7	Deployment of Annie Smart Class in blind schools		Yes	Maharashtra	Nashik Ramnagara Sindhudurg	12	33,60,100	6,72,020	26,88,080	No		CSR00037081
8	Distribution of exam warriors book at Pune Book festival		Yes	Maharashtra	Pune	12	50,00,000	40,00,000	10,00,000	No	National Book Trust	CSR00052016
9	Vocational skills training for night school students		Yes	Maharashtra	Pune	12	15,00,000	3,00,000	12,00,000	No	Saraswati Mandir Sanstha	CSR00014464
10	Providing educational support in a form of school fees to Ex-serviceman children		Yes	Maharashtra	Pune	12	9,45,000	1,89,000	7,56,000	No	Veteran Second Innings Foundation	CSR00056445
11	Providing automated ESR machine to the Sassoon hospital		Yes	Maharashtra	Pune	12	5,72,300	4,57,840	1,14,460	No	Sasson Hospital Denagi Samiti	CSR00023896



1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration (months)	Amount allocated for the project (In ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
12	Menstrual Hygiene Management - Distribution of free menstrual napkins to 15 villages of Nanded		Yes	Maharashtra	Nanded	12	13,54,500	2,70,900	10,83,600	No	Desai Foundation	CSR00006306
13	Mobile Medical Van with Eye & Oral check-up set up		Yes	Maharashtra	Pune	12	1,31,14,768	1,04,91,814	26,22,954	No	Samartha Yuva Foundation	CSR00012614
14	Support for Elderlies living in communities of Pune city		Yes	Maharashtra	Pune	12	39,38,760	0	39,38,760	No	Society of Community Health Oriented Operational Links	CSR00001624
15	To provide spoken English & conselling Support to orphans living in Saraswati Anath Shikshan Ashram		Yes	Maharashtra	Pune	12	5,09,230	0	5,09,230	No	Adhishthan Community Mental Health and Wellbeing Foundation	Adhishthan Community Mental Health and Wellbeing Foundation
16	Educational equipments like benches, computers etc. to Aasram Shala		Yes	Maharashtra	Parbhani	12	41,75,000	0	41,75,000	No	Janaprahav Social foundation	CSR000050555
17	Cow shed development & skill development program		Yes	Maharashtra	Pune	12	26,63,830	0	26,63,830	No	Ved Vasudev Pratishthan	CSR000062084
18	School uniform & stationary to underprivileged students		Yes	Maharashtra	Pune	12	29,62,500	0	29,62,500	No	Jeevanmitra Education foundation	CSR00007341
19	Development of Entrepreneurship Development Cell under Women empowerment Project		Yes	Maharashtra	Pune	12	27,63,280	0	27,63,280	No	Maharshi Karve Stree Shikshan Sanstha	CSR00003823
20	Vocational Skills training to students through Skills on Wheels educational van		Yes	Maharashtra	Nanded Pune	12	40,23,823	0	40,23,823	No	Lend In Hand India	CSR00004918
21	To Provide art education to Govt. schools located in PMC		Yes	Maharashtra	Pune	12	30,00,000	0	30,00,000	No	No R. K. Laxman Foundation	CSR000028483
22	Equipment for Genehealth lab to provide cancer tests in low price to BPL people		Yes	Maharashtra	Pune	12	83,73,163	0	83,73,163	No	Maharashtra University of Health Sciences	CSR000065207
23	Equipment to polyclinic & diagnostic centre		Yes	Maharashtra	Pune	12	30,11,433	0	30,11,433	No	Pune Vaidyakiya Seva va Sanshodhan Pratishthan	CSR000011600
24	Swaccha Bharat Kosh		Yes	Maharashtra	-	-	228370	0	228370	NO	Swaccha Bharat Kosh	NA

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

1	2	3	4	5	6	7	8
Sl. No	Name of Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State District	Amount spent for the project (in ₹).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency. CSR Name. registration number.
					NA		

d) Amount spent in administrative overheads- ₹ 3,85,873.57/-

e) Amount spent in impact assessment, if possible – None

f) Total amount spent for financial year – ₹ 2,40,11,745/-

(8b+8c+8d+8e)

g) Excess amount for set off if any, - None

Sl. no	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	8.32CR
(ii)	Total amount spent for the Financial Year	2.40 CR
(iii)	Excess amount spent for the financial year [(ii)-(i)]	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 Unspent CSR amount for the preceding three financial years:

SL. No	Proceeding Financial Year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years. (in ₹)
1	2022-2023	3,35,07,772/-	1,19,70,957/-	Swachh Bharat Kosh	2,55,784/-	11/10/2023	2,15,36,815/-
2	2021-2022	1,85,74,702/-	32,34,366/-	Swachh Bharat Kosh	2,82,192/-	28/09/2022	58,14,681/-
3	2020-2021	2,37,77,454/-	21,54,116/-	Swachh Bharat Kosh	*13,74,494/-	28/09/2022	-

*Since the FY 23-24 was the 3rd Succeeding year, the balance unspent amount from the Escrow A/c was transferred to Fund in the month of April, 2024.

(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/ Months	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 ₹)	Status of the project – Completed /Ongoing.
1	N.A	Skill Development & Training for Employment Enrichment	2020	12	79,65,000/-	21,54,116/-		- Completed
2		Conservation of desi seeds	2021	12	37,31,625/-	11,56,804/-		- Completed
3		Mobile Medical van	2021	12	80,06,129/-*	11,29,062/-		- Completed
4		Skill development	2021	12	5,00,000/-	5,00,000/-		- Completed

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/ Months	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 ₹)	Status of the project – Completed /Ongoing.
5		forest conservation and traditional biodiversity knowledge documentation	2021		15,00,000/-	4,48,500/-	1,500.00 (Less spent)	Completed
6		Skill development Training Program for women for manufacturing Low cost biodegradable sanitary napkins	2022	12	13,50,000/-	4,05,420/-		- Completed
7		Contributed 5 Dron & patravali manufacturing machine to provide skill development training to the women	2022	12	7,01,000/-	2,10,300/-		- Complete
8		Contribution for Livelihood enhancement for Differently Abled	2022	12	48,00,000/-	38,40,000/-		- Complete
9		Contribution for Sustainable community based Safe & Clean drinking water with IoT enabled Smart card for one village in Nanded	2022	12	28,16,300/-	14,08,150/-	8,44,890/-	Ongoing
10		Contribution for Sustainable Watershed Development at Akkalkos, Tehsil: Shindkheda, District: Dhule	2022	12	50,17,000/-	25,08,500/-	15,05,100/-	Ongoing
11		Contributed to install Mini Science Centres in 5 ZP Schools at Sindhudurg	2022	12	26,01,585/-	13,00,793/-	7,80,476/-	Ongoing
12		Contributed for Rehabilitation of the Mentally challenged.	2022	12	30,49,988/-	15,24,994/-	9,14,996/-	Ongoing
13		Contributed Haemodialysis Machines 5 Qty for dialysis centre for the project Seva Bhavan	2022	12	38,64,000/-	7,72,800/-		- Completed

(*The total project amount was revised due increase in cost of equipment and the same was approved by the CSR committee members of Board of Directors)

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

(Asset-wise details)

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

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

NA

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

Sd/-
Shankar karajagi
Director (Commercial)

Sd/-
Kumar Shanker
Managing Director

Place: Pune
Date: 26.08.2024

FORM NO. AOC-2

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

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

Maharashtra Natural gas Limited (MNGL) has not entered in any Contracts/arrangements/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2023-24.

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

Sr. No	Name of the Related Party & nature of relationship	Nature of Transaction	Transaction Value (₹ in Crores)	Duration of Transaction	Salient Terms of Transaction	Date of Approval by the Board	Amount paid in advance (₹ in crores)
1.	GAIL (India) Ltd.	Gas Purchase	1611.22	FY 2023-24	The related Party Transactions entered during the year were in ordinary course of business at arm's length basis.	The related Party Transactions entered during the year were in ordinary course of business at on arm's length basis, approval of the Board is not applicable.	NA
		Supply of	1.32				
		Manpower					
		Services					
2.	Bharat Petroleum	Sale of Natural Gas	448.51				
3.	Corp. Ltd.	Rendering of	5.42				
		Services					
4.		Receiving of	17.03				
		Services					
5.		Supply of	0.98				
		Manpower					
		Services					

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

Sd/-
Shankar karajagi
Director (Commercial)

Sd/-
Kumar Shanker
Managing Director

Place: Pune
Date: 26.08.2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,

The Members,

MAHARASHTRA NATURAL GAS LIMITED

(CIN: U11102PN2006PLC021839)

Registered Office: Plot No 27, Narveer Tanaji Wadi, PMT Bus Depot, Commercial Building, First Floor, Shivaj, I Nagar, Pune, Maharashtra, India, 411005

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Maharashtra Natural Gas Limited (CIN: U11102PN2006PLC021839) (hereinafter called "the Company"). The 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.

Auditor's responsibility

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period from April 01, 2023 to March 31, 2024 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent and in the manner reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, 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 - **Not applicable to the Company during the Audit period;**
- (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, but during the audit period, there were no Foreign Direct investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company during the Audit period;**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company during the Audit period;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company during the Audit period;**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company during the Audit period;**
 - e) 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;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit period;** and
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company during the Audit period;**
- (vi) Other laws including laws specifically applicable to the Industry and Company as per the representation letter given by the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India has been properly followed by the Company during the year.

I have not examined the compliance by the Company with respect to;

Applicable financial laws, like Direct and Indirect Tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to some of the following observations;

The Company has appointed Cost Auditor for the Financial Year 2023-24 in the month of January 2024 instead of within one hundred and eighty days of the commencement of the financial year as prescribed under the Companies Act, 2013 and rules made thereunder.

According to the information and explanations given to me and on the basis of my examination of the records of the Company, in my opinion the Company have generally been regularly in filing e-forms as required to be filed under the Companies Act, 2013 and rules made thereunder, though there have been slight delays in a few cases.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally

complied with the following law applicable specifically to the Company:

- i. Sexual Harassment Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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 as on 31st March, 2024. 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.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that, there were 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.

For **Chetan Kumbhojkar**
Company Secretary

Sd/
Chetan Kumbhojkar
Proprietor
M. No. 37671 | CP. No. 23821
Review No. 5834/2024

Place: Pune | Date: 22nd August, 2024 Peer

This report is to be read with my letter of even date which is annexed as ANNEXURE- A and form as integral part of this report.

Annexure A to the Secretarial Audit Report

To,

The Members,

MAHARASHTRA NATURAL GAS LIMITED

(CIN: U11102PN2006PLC021839)

Registered Office: Plot No 27, Narveer Tanaji Wadi, PMT Bus Depot, Commercial Building, First Floor, Shivaj, I Nagar,
Pune, Maharashtra, India, 411005

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 the random 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 my opinion.
3. I have not verified the correctness and appropriateness of any financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the Management representation letter about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management of the Company. My examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future visibility of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chetan Kumbhojkar**
Company Secretary

Sd/
Chetan Kumbhojkar
Proprietor

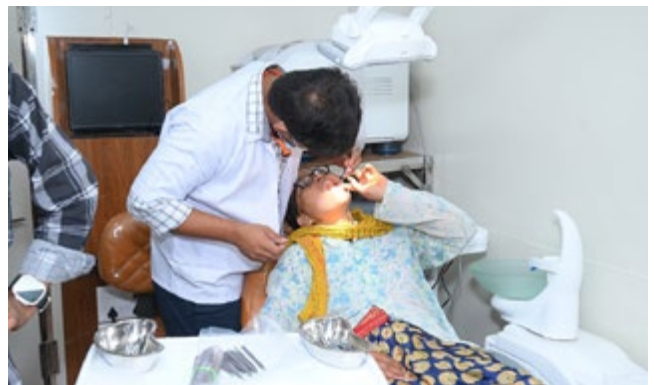
M. No. 37671 | CP. No. 23821
Review No. 5834/2024

Place: Pune | Date: 22nd August, 2024 Peer

CSR Event of Tree Plantation at Chikhali, Pune with implementation partner Arogya Jankalyan Sanstha



CSR Event of Inauguration of Mobile Medical Van & handing over to Samarth Yuva Foundation, Pune



CSR Event of distribution of artificial limbs to divyang people with the implementation partner Nav Bharat Vikas Foundation in Pune GA



CSR Event of Inauguration of Water ATM Machine in Nanded GA with the implementation partner Toyam Foundation



19th Annual Day Celebration



MNGL Annual Sports Celebration





Financial Statements

B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

T + 91 22 6243 9500

F + 91 22 2200 3476

E info@bkkhareco.com

706 / 708, Sharda Chambers, New Marine Lines, Mumbai - 400 020, India

INDEPENDENT AUDITORS' REPORT**To the members of Maharashtra Natural Gas Ltd****Report on the audit of the Financial Statements****Opinion**

We have audited the accompanying Financial Statements of **Maharashtra Natural Gas Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

**Pune**

T : +91 020 25648885/8446011005
+91 020 8446031006/8446031009
F +91 020 2542 0212
E bkpun@bkkhareco.com
2nd Floor, Demech House,
814, B Wing, Law College Road,
Pune - 411 004, India

Bengaluru

T +91 80 4110 5357
E bkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, #6 K. H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi

T +91 011 4905 7624
E bkkdelhi@bkkhareco.com
1405-06, 38, Ansal Tower,
Nehru Place,
New Delhi - 110 019,
India

Chennai

T + 044 4862 9299
E bkkchennai@bkkhareco.com
2nd Floor, Crown Court,
Cathedral Road,
Chennai - 600 086,
India

B. K. KHARE & Co.
CHARTERED ACCOUNTANTS**Other Matter**

The audited Financial Statements of the Company for the year ended March 31, 2023 were audited by erstwhile auditors whose report dated May 4, 2023, expressed an unmodified opinion on those audited the Financial Statements.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Financial Statements of which we are the independent auditors.



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigation on its financial position in its Financial Statements – Refer Note 34 to the Financial Statements
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;
- (v) The dividend (declared/paid/declared and paid) during the year by the Company is in compliance with Section 123 of the Act and



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
3. As required by the Comptroller and Auditor General of India through directions/sub-directions issued under Section 143(5) of the Companies Act 2013, 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.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

A. A. Mahadik

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNA5862
Place: Pune
Date: May 3, 2024



B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of **Maharashtra Natural Gas Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

A. A. Mahadik

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNA5862
Place: Pune
Date: May 3, 2024



B. K. KHARE & Co.
 CHARTERED ACCOUNTANTS

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1) i) A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

ii) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items of tangible assets. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. For the underground natural gas distribution system, the management has adequate controls in place to safeguard the physical existence of the said distribution system. No material discrepancies were noticed upon such verification.

iii) According to the information and explanations given to us and based on the audit procedures performed by us, the title deeds of immovable properties are held in the name of the Company except for the property situated at Chikhali Gat No 539 wherein Chinchwad Devsthan has filed a suit claiming the title of land. The details are as below-

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range where appropriate	Reason for not being held in the name of the Company*
Land at Gat No 539 Chikhali	264.59 lakhs	Company	No	Not applicable	Chinchwad Devsthan has filed title suit claiming ownership of land at chikhali

iv) According to the information and explanations given to us, the Company has not revalued any of its property, plant, and equipment (including Right of use assets) or intangible assets or both during the year.

v) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

- 2) i) According to the information and explanations given to us, the inventory comprising of natural gas and stores and spares. As explained 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 natural gas considering the standard temperature and pressure, are reasonable and no material discrepancies were noticed on such computation. Further in our opinion management has conducted physical verification of stores and spares parts at reasonable interval during the year. In our opinion, coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.
- ii) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Bank of Maharashtra on the basis of security of Book Debts during the year. The book debts statement filed by the Company with bank on a quarterly basis are materially in agreement with unaudited books of account as certified by the management.
- 3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships, or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- 4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
- 5) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- 6) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) i) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, duty of Excise, Value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the



B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

Company, there were no undisputed statutory dues payable in respect of Sales tax, Duty of Customs.

ii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited on account of any dispute. The statutory dues in respect of Service tax and Income tax at March 31, 2024 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of Statute	Nature of the dues	Amount Rs in Lakhs	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service tax	5,315.31 Including penalty	Financial year 2012-13 to 2017-18	GSTAT tribunal
Income tax act	Income tax	466.85	Financial year 2019-20	CIT Appeal
Income tax act	Income tax	81.52	Financial year 2021-22	CIT Appeal

- 8) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
- 9) a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- c) According to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were obtained.
- d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have not been utilised for long term purposes as at the Balance sheet date.
- e) According to the information and explanations given to us and on an overall examination of the



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

10) a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14) a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

- b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
- 16) a) 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. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.
- b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing finance activities Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
- d) Based on the information and explanations given to us and audit procedure performed by us, we report that the Group has no Core Investment Company.
- 17) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
- 18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.



B. K. KHARE & Co. CHARTERED ACCOUNTANTS

20) a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub -section 5 of Section 135 of the Act, except in respect of the following:

(Rs in lakhs)

Financial year*	Amount unspent on CSR activities "other than ongoing projects"	Amount transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
2022-23	2.55	-	2.55 15- 11-2023

b) According to the information and explanations given to us, in respect of ongoing projects, the Company has transferred unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with sub section (6) of section 135 of the Act, except Rs. 38.35 lakhs (difference between Rs. 633.67 lakhs and Rs. 595. 32 lakhs) which was directly paid to vendor post year end for CSR activities

(Rs in lakhs)

Financial year*	Amount unspent on CSR activities for ongoing projects	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
2023-24	633.67	595.32	NIL

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No.: 105102W

A. A. Mahadik

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNA5862
Place: Pune
Date: May 3, 2024



B. K. KHARE & Co.
 CHARTERED ACCOUNTANTS

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Sr No	Areas Examined	Replies	Impact on financial statements
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?	Yes, the Company maintains its books of account on IT system, SAP, which is an ERP system. All accounting transactions are processed in Accounts maintained on SAP. Based on the audit procedure carried out and as per information and explanations given to us, no transactions have been processed or carried out the IT system of the Company. Accordingly, in our opinion there are no implication on the integrity of the accounts.	Nil
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 due to the Company's inability to repay the loan? 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).	According to the information and explanations given to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the Company's inability to repay the loan.	Nil
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and based on our examination of the records of the company, the Company has not received any funds (grants/subsidy etc) from Central/State Government for specific schemes of its agencies.	Nil

For B. K. Khare & Co.
 Chartered Accountants
 Firm Registration No. 105102W

A. A. Mahadik

Amit Mahadik
 Partner
 Membership No. 125657
 UDIN: 24125657BKESNA5862
 Place: Pune
 Date: May 3, 2024





Balance Sheet

as at March 31, 2024

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Note Reference	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,54,181.03	1,19,929.92
Right of Use Assets	3	9,400.71	9,000.17
Capital work-in-progress	3	96,011.72	82,323.77
Other intangible assets	4	98.42	278.49
Financial asset			
(i) Other financial asset	5	983.70	1,488.83
Other non-current assets	6	14.08	23.51
Total non-current assets		2,60,689.65	2,13,044.69
Current assets			
Inventories	7	995.29	743.50
Financial assets			
(i) Trade and other receivables	8	13,508.78	12,380.44
(ii) Cash and cash equivalents	9	11,906.28	9,423.00
(iii) Other financial assets	5	15,628.23	5,818.39
Other current assets	10	1,196.42	3,016.32
Total current assets		43,235.00	31,381.65
Total - Assets		3,03,924.65	2,44,426.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	10,000.00	10,000.00
Other equity			
(i) Reserves and surplus	11(b)	1,75,035.32	1,32,021.72
Total Equity		1,85,035.32	1,42,021.72
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Long-term borrowings	12	51,689.77	41,961.83
(ii) Lease liabilities	3	6,293.31	7,050.40
(iii) Other financial liabilities	13	756.64	565.68
Provisions	14	379.92	346.40
Deferred tax liabilities (Net)	16	10,072.02	8,035.81
Total non-current liabilities		69,191.66	57,960.12
Current liabilities			
Financial liabilities			
(i) Trade payables	17		
(A) Total outstanding dues of micro enterprise and small enterprises		801.38	598.64
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,470.14	15,153.74
(ii) Lease Liabilities	3	3,502.80	3,172.78
(iii) Other financial liabilities	13	27,598.08	23,241.21
Provisions	14	103.88	60.14
Liabilities for current tax (Net)	18	140.03	430.31
Short Term Borrowings	19	-	799.84
Other current liabilities	20	1,081.36	987.84
Total Current liabilities		49,697.67	44,444.50
Total - Liabilities		1,18,889.33	1,02,404.62
Total Equity and Liabilities		3,03,924.65	2,44,426.34

Material accounting policies and other explanatory information forming part of financial statements (1-43)

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number: 105102W

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

CA Amit Mahadik

Partner

Membership No : 125657

Date : 03-05-2024

Place : Pune

Kumar Shanker

Managing Director

DIN:09533240**Sanjay Sharma**

Director (Commercial)

DIN: 09025971**Sarathy M K**

Chief Financial Officer

Shreya Prabhudesai

Company Secretary

A48866

Statement of Profit and Loss

for the year ended March 31, 2024
(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Note Reference	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	21	2,99,354.99	2,70,024.02
Other Income	22	832.86	222.78
Total Income		3,00,187.85	2,70,246.80
Expenses			
Purchases of Natural Gas	23(a)	1,55,782.73	1,61,834.50
Changes in inventories of finished goods	23(b)	(64.56)	(56.80)
Excise Duty		25,329.47	22,309.50
Employee benefit expense	24	2,182.08	2,287.25
Depreciation and amortisation expense	25	11,207.27	9,302.99
Finance costs	26	3,160.56	2,280.11
Other expenses	27(a)	20,805.03	15,698.93
Total Expenses		2,18,402.58	2,13,656.49
Profit before exceptional items and tax		81,785.27	56,590.31
Exceptional Items		-	-
Profit before tax		81,785.27	56,590.31
Income tax Expense			
- Current Tax	28	18,708.51	12,973.71
- Tax relating to earlier years		28.57	-
- Deferred tax	28	2,036.21	1,508.03
Total Tax Expense		20,773.29	14,481.74
Profit from continuing operations		61,011.98	42,108.57
Profit After Tax		61,011.98	42,108.57
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15(iii)	2.15	29.83
Income tax relating to these items	18	(0.54)	(7.51)
Other Comprehensive income, net of tax		1.61	22.32
Total Comprehensive income		61,013.59	42,130.89
Earnings per equity share			
Basic and diluted earnings per share (in Rs.)	37	61.01	42.11

Material accounting policies and other explanatory information forming part of financial statements (1-43)

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number: 105102W

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

CA Amit Mahadik

Partner

Membership No : 125657

Date : 03-05-2024

Place : Pune

Kumar Shanker

Managing Director

DIN:09533240

Sanjay Sharma

Director (Commercial)

DIN: 09025971

Sarathy M K

Chief Financial Officer

Shreya Prabhudesai

Company Secretary

A48866

Statement of Cash Flow

for the year ended March 31, 2024

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
Cash Flow From Operating Activities				
Profit before income tax		81,785.27		56,590.31
Adjustments for:				
Depreciation of property, plant and equipment	10,988.48		9,050.80	
Amortization of intangible assets	218.79		252.19	
Finance costs	3,160.56		2,280.11	
Provision for Doubtful Debts	52.72		177.92	
Profit on sale of assets	(0.22)		(2.09)	
Loss on sale of Assets	9.11		62.97	
Interest income classified as investing activity	(832.64)	13,596.80	(220.69)	11,601.22
Operating profit before working capital changes		95,382.07		68,191.53
Change in operating assets and liabilities				
(Increase)/Decrease in inventories	(251.79)		(568.29)	
(Increase)/Decrease in trade and other receivables	(1,181.06)		1,430.05	
Increase/(Decrease) in Trade and other Payables	1,519.15		2,306.95	
Increase/(Decrease) in Lease Liability	330.02		2,495.24	
Increase/(Decrease) in Long Term Provisions	35.67		86.76	
Increase/(Decrease) in short Term Provisions	43.74		(15.84)	
Increase/(Decrease) in other liabilities- current	93.52		527.43	
Increase/(Decrease) in other current financial liabilities	3,130.09		2,742.50	
(Increase)/Decrease in other current assets	1,819.91		(2,106.79)	
(Increase)/Decrease in financial assets - Current	(144.49)	5,394.76	(9,400.68)	(2,502.68)
Cash generated from operations		1,00,776.83		65,688.85
Income taxes paid		(19,027.90)		(14,705.78)
Net cash inflow from operating activities (A)		81,748.93		50,983.07
Cash Flow From Investing Activities				
Payments for property, plant and equipment	(55,036.10)		(53,023.67)	
Receipts for sale of property, plant and equipment	0.21		387.29	
Payments for intangible assets	(38.72)		(44.38)	
Interest received	794.47		199.60	
Movement in other Non Current Asseets	9.43		104.20	
Movement in other financial liabilities - Non Current	190.97		152.63	
Proceeds from sale/(addition) of investments				
- Earmarked and other Fixed Deposits	(9,494.30)		4,305.76	
- Security deposits	372.25		(85.32)	
Net cash outflow from investing activities (B)		(63,201.79)		(48,003.88)

Statement of Cash Flow

for the year ended March 31, 2024

(All Figures in Rupees Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
Cash Flow From Financing Activities				
Proceeds from long term borrowings	12,727.94		26,024.46	
Repayment of Long term borrowings	(3,000.00)		(6,465.96)	
Payment of Lease Liability	(3,831.41)		(4,515.12)	
Proceeds from Short Term Borrowings (Net)	(799.84)		(4,125.30)	
Interest paid	(3,160.56)		(1,980.27)	
Dividend paid	(18,000.00)		(10,000.00)	
Net cash inflow from financing activities (C)		(16,063.87)		(1,062.19)
Net increase/(decrease) in cash & cash Equivalents (A+B+C)		2,483.28		1,917.00
Cash & cash equivalents as at beginning of the year (D)		9,423.00		7,506.01
Cash & cash equivalents as at end of the year (A+B+C+D)		11,906.28		9,423.01
Reconciliation of cash and cash equivalents as per the cash flow statement (Refer Note No. 9)				
Cash on Hand		67.89		40.10
Other Bank Balances		901.22		-
Balance with Banks - in current accounts		10,937.17		9,382.89
Cash & cash equivalents balance at the end		11,906.28		9,423.00

Material accounting policies and other explanatory information forming part of financial statements (1-43)

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.

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number: 105102W

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

CA Amit Mahadik

Partner

Membership No : 125657

Date : 03-05-2024

Place : Pune

Kumar Shanker

Managing Director

DIN:09533240

Sanjay Sharma

Director (Commercial)

DIN: 09025971

Sarathy M K

Chief Financial Officer

ShreyaPrabhudesai

Company Secretary

A48866



Statement of Changes in Equity

for the year ended March 31, 2024

(All Figures in Rupees Lakhs, unless otherwise stated)

A. Equity Share Capital

(1) Previous reporting period

	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end March 31, 2023
Balance at the April 01, 2022				
10,000.00	-	-	-	10,000.00

(2) Current reporting period

	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end March 31, 2024
Balance at the April 01, 2023				
10,000.00	-	-	-	10,000.00

Statement of Changes in Equity

for the year ended March 31, 2024

(All Figures in Rupees Lakhs, unless otherwise stated)

B. Other Equity

(1) Previous reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Total
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings (Refer Note 11(b))	Debt instruments through Comprehensive Income	Equity Instruments through Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchanges differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (specify nature)	
Balance at April 01, 2022	-	-	-	-	-	99,809.97	-	-	-	-	-	-	99,809.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	42,108.57	-	-	-	-	22.32	-	42,130.89
Dividends	-	-	-	-	-	(10,000.00)	-	-	-	-	-	-	(10,000.00)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Pre Retirement of Lease	-	-	-	-	-	80.86	-	-	-	-	-	-	80.86
Balance at March 31, 2023	-	-	-	-	-	1,31,999.40	-	-	-	-	22.32	-	1,32,021.72

Statement of Changes in Equity

(All Figures in Rupees Lakhs, unless otherwise stated)

for the year ended March 31, 2024

B. Other Equity (Contd..)

(2) Current reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus											
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings (Refer Note 11(b))	Debt instruments through Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at April 01, 2023	-	-	-	-	-	1,32,021.73	-	-	-	-	-	-	1,32,021.73	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	61,011.98	-	-	-	-	1.61	-	61,013.59	
Dividends	-	-	-	-	-	(18,000.00)	-	-	-	-	-	-	(18,000.00)	
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Impact of Pre Retirement of Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2024	-	-	-	-	-	1,75,033.71	-	-	-	-	1.61	-	1,75,035.32	

Notes to the Financial Statements

Summary of material accounting policies and other explanation information for the year ended 31 March 2024

Company Information

Maharashtra Natural Gas Limited ('MNGL') is a Company incorporated in January 2006 to meet City Gas distribution needs of Pune and adjoining areas. MNGL is a joint venture Company of two Maharatna PSUs viz. Bharat Petroleum Corporation Limited (BPCL) and GAIL (India) Limited, with the mission to supply clean and green (eco-friendly) fuel. In 2009, MNGL 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 in September 2018, MNGL secured 3 new geographical areas viz. Nasik, Dhule, Sindhadurga in Maharashtra, part of Valsad in Gujarat and Ramanagara in Karnataka. MNGL secured 2 more geographical areas during 11th CGD bidding round in March 2022 viz. Buldana, Nanded, Parbhani districts in Maharashtra and Nizamabad, Adilabad, Nirmal, Mancheri, Kumuram Bheem, Asifabad and Kamareddy Districts in Telangana.

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 (PNG) to its customers in the domestic, commercial and industrial sectors and Compressed Natural Gas (CNG) to Transport sector.

The financial statements are approved for issue by the Company's Board of Directors on 03-05-2024.

Note 1: Material accounting policies

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

1.1 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, 2015 (as amended from time to time) by the Ministry of Corporate Affairs (MCA) 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. An entity shall classify an asset as current when- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) it holds the asset primarily for the

purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period; or (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

(ii) Overall Considerations

These financial statements have been prepared on accrual and going concern basis using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

(iii) Historical Cost Convention

These financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

1.2 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 32 for the segment information presented.

1.3 Foreign currency transactions and translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

a. 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.

b. 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.

Notes to the Financial Statements

c. 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).

d. 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.

1.4 Revenue Recognition

- (i) Revenue on satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is inclusive of excise duty and net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.
- (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 / assessed measurements. Sales are billed bi-monthly for domestic customers, fortnightly for industrial and commercial 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) Revenue in respect of interest/ late payment charges on delayed realizations from customers and other charges, if any, is recognized on grounds of prudence when there is significant certainty of collection.
- (vi) Recoveries of connection charges from customers is recognised as revenue on capitalisation of respective asset.

1.5 Taxes on Income

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the Statement of Profit and Loss is recognised either in Other comprehensive income or in equity. Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.6 Leases

The Company as a Lessee

(i) Identifying a Lease

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. 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.

Notes to the Financial Statements

(ii) 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. 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.

Right-of-use assets are generally depreciated over the asset's useful life or the lease term, whichever is less, on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

(iii) 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 or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iv) 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.

(v) Determination of discount rate as a lessee

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

1.7 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are evaluated at the lowest levels for which there are separately identifiable cash inflows which are largely

independent of the cash inflows from other assets or Company of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Profit and Loss.

1.8 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.

1.9 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) Raw materials are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- ii) Finished stocks are valued at cost of manufacturing/ purchase or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- iii) Stores and spares are valued at cost arrived at on weighted average basis or net realisable value, whichever is less.
- iv) Cushion gas is the volume of gas that is required in an underground storage field/ pipeline network to maintain minimum field pressure. This cushion gas(or base gas) is not available for withdrawal unless replaced with immiscible injectant to maintain field pressure. Considering this nature it 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.

1.10 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.

1.10.1 Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair

Notes to the Financial Statements

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:

1.10.2 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:

- (i) **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.
- (ii) **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.
- (iii) **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.

1.10.3 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 30 details how Company determines whether there has been significant increase in credit risk.

1.10.4 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.

1.10.5 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.

1.10.6 Recognition of 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.

Notes to the Financial Statements

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.

1.10.7 Derecognition of Financial Liability

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.

1.10.8 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.

1.10.9 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.

1.11 Property, Plant and equipment

- (i) Freehold land is carried at historical cost. All other property, plant and equipment are stated at cost, less

accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets 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.

1.12 Depreciation Method, estimated useful lives and residual value

- (i) Depreciation is charged on a pro-rata basis on the straight line method ('SLM') as prescribed in Schedule II to the Companies Act, 2013 which are in line with their estimated useful life, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the

Notes to the Financial Statements

asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

Asset	Useful Lives
Mother Compressors, Online Compressors and Booster Compressors	10 years
Signages	10 years
Fire Fighting Equipments	15 years
Pipeline	25 years
Plant & Machinery – other than compressors and pipeline	20 years
Furniture provided for the use of employees	6 years
Electrical Equipment's for the use of employees	4 years

- (ii) Overhauling cost (Top and Major) is depreciated over the remaining life of the respective asset or over the period till the next overhauling date, whichever is earlier.
- (iii) Depreciation on additions / deletions (excluding PNG assets) is charged on pro-rata basis. In case of PNG assets, depreciation on additions / deletions is charged for 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.
- (iv) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss under other income/expenses.
- (v) Cost of the leasehold land is amortized over the lease period except perpetual leases.
- (vi) The Company has installed CNG Stations on land leased from government authorities/institutions for periods ranging from one to ten years. However, assets constructed/installed on such land have been depreciated at the rates specified in Schedule II to the Companies Act, 2013
- (vii) Net Residual Value is considered as Rs. NIL.

1.13 Intangible assets

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.

1.14 Borrowings

Borrowings are 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.

1.15 Borrowing Costs

- (i) 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.
- (ii) 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.
- (iii) All other borrowing costs are expensed in the period in which they are incurred.

1.16 Provisions and Contingent liabilities

- (i) 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.

Notes to the Financial Statements

(ii) 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.

(iii) Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

1.17 Employee benefits

1.17.1 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.

1.17.2 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.

1.17.3 Post-employment obligations

The Company operates the following post-employment schemes:

- (i) Defined benefit plan viz. gratuity; and
- (ii) Defined contribution plan viz. provident fund

1.17.4 Gratuity Obligations

In case of Gratuity provisioning, MNGL has availed Group Gratuity Plan and Annual Contributions are paid to LIC on renewal. Provision has been made as per Actuarial Report for FY 2023-24. 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.

1.17.5 Provident Fund

The Company contributes to provident fund as per local regulations. The Company has 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.

1.18 Dividend

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.

1.19 Earnings per share

1.19.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- (i) The profit attributable to equity shareholders
- (ii) By the weighted average number of equity shares outstanding during the financial year (note 37)

1.19.2 Diluted earnings per share

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

Notes to the Financial Statements

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

1.20 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.

1.21 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.

1.22 Cash Flow

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.

1.23 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.

1.24 Previous year figures

Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year figures.

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.

2.1: 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.
9. Evaluation of indicators for impairment of assets

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.

Notes to the Financial Statements

Note 3: Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total PPE	Lease Asset	Capital work-in-progress
Period Ended March 31,2023											
Gross carrying amount											
Opening gross carrying amount	1,890.62	-	81.38	1,25,970.99	329.58	154.64	215.59	4.06	1,28,646.86	13,895.43	54,859.39
Additions (Including Borrowing Cost)	0.38	-	-	25,477.91	59.36	16.56	5.08	-	25,559.29	709.33	1,48,967.20
Disposals/Deleased	(139.44)	-	-	(72.61)	(37.91)	-	-	-	(249.96)	-	-
Transfers	-	-	-	(300.90)	-	-	-	-	(300.90)	-	(1,21,502.82)
Gross carrying amount as on March 31,2023	1,751.56	-	81.38	1,51,075.39	351.04	171.20	220.67	4.06	1,53,655.29	14,604.76	82,323.77
Accumulated Depreciation											
Opening accumulated depreciation	-	-	9.73	26,839.96	212.87	93.55	116.94	3.82	27,276.87	3,105.01	-
Depreciation charge	-	-	1.39	6,448.17	65.33	18.37	18.10	0.24	6,551.60	2,499.59	-
Disposals/Deleased	-	-	-	(10.56)	(36.97)	-	-	-	(47.53)	-	-
Transfers	-	-	-	(55.56)	-	-	-	-	(55.56)	-	-
Closing accumulated depreciation	-	-	11.12	33,222.01	241.23	111.92	135.04	4.06	33,725.38	5,604.60	-
Net carrying amount as at March 31,2023	1,751.56	-	70.26	1,17,853.38	109.81	59.28	85.63	-	1,19,929.92	9,000.17	82,323.77

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total PPE	Lease Asset	Capital work-in-progress
Period Ended March 31,2024											
Gross carrying amount											
Opening gross carrying amount	1,751.56	-	81.38	1,51,075.39	351.04	171.20	220.66	4.06	1,53,655.29	14,604.77	82,323.77
Adjustment during the year	-	-	-	-	-	-	-	-	-	1,646.62	-
Additions (Including Borrowing Cost)	(269.88)	269.88	0.00	42,387.00	51.08	94.44	42.39	-	42,574.91	2,474.76	2,09,538.11
Disposals/De-leased	-	-	-	(15.06)	(7.82)	-	-	-	(22.88)	(844.22)	(1,95,850.16)
Transfers	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as on March 31,2024	1,481.68	269.88	81.38	1,93,447.33	394.30	265.64	263.05	4.06	1,96,207.32	17,881.93	96,011.72

Notes to the Financial Statements

Note 3: Property, plant and equipment (Contd..)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total PPE	Lease Asset	Capital work-in-progress
Accumulated Depreciation											
Opening accumulated depreciation	-	-	11.12	33,222.01	241.23	111.92	135.04	4.06	33,725.38	5,604.60	-
Adjustment during the year											
Depreciation charge	-	49.64	1.39	8,146.18	77.45	23.09	16.93	-	8,314.69	823.98	-
Disposals/De-leased				(5.95)	(7.82)				(13.78)	2,673.79	-
Transfers										(621.15)	-
Closing accumulated depreciation	-	49.64	12.51	41,362.24	310.86	135.01	151.97	4.06	42,026.29	8,481.22	-
Net carrying amount as at March 31, 2024	1,481.68	220.24	68.87	1,52,085.09	83.44	130.63	111.08	-	1,54,181.03	9,400.71	96,011.72

Notes:

- Refer to note 38 for information on property, plant and equipment pledged as security by the Company.
- Contractual Obligations : Refer to note 35(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress mainly comprises Steel/MDPE pipelines, CNG Stations, Restoration charges and capital stores lying in godown and at vendor locations.
- The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) and is apportioned to the property, plant and equipment on completion of project. The Company has capitalised salaries amounting to Rs. 683.66 Lakhs during the year (previous year Rs. 719.14 Lakhs).
- The company has reclassified the land at GA Ramanagara from freehold to leasehold and amortisation charged for the period till 31st March 24 is debited to Statement of Profit and Loss account

Notes to the Financial Statements

Note 3: Property, plant and equipment (Contd..)

3.6. Ageing Schedule of CWIP :

(Amount in Rs. Lakhs)

Capital work-in-progress	Amount in CWIP as on 31-03-2024				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	64,268.75	17,398.17	9,330.72	5,014.07	96,011.72
Projects temporarily suspended	-	-	-	-	-
	64,268.75	17,398.17	9,330.72	5,014.07	96,011.72

(Amount in Rs. Lakhs)

Capital work-in-progress	Amount in CWIP as on 31-03-2023				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	59,773.85	16,764.27	3,215.50	2,570.13	82,323.76
Projects temporarily suspended	-	-	-	-	-
	59,773.85	16,764.27	3,215.50	2,570.13	82,323.76

3.8. There are no Projects in Progress whose completion is overdue or have exceeded their cost compared to their original plan

3.9. Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

a. Right of use asset

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	9,000.16	10,790.42
Add: Additions	2,474.76	709.33
Add: Adjustments during the year	822.65	-
Less: Depreciation charged on the right-of-use assets	2,673.79	2,499.59
Less: Disposal	223.07	-
Balance as at end of the year	9,400.71	9,000.16

b. Lease Liability

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	10,223.18	11,614.59
Add: Additions	810.84	709.33
Add: Adjustments during the year	1,089.88	80.86
Add: Lease Interest	1,038.71	1,082.30
Less: Lease payments made during the year	3,366.50	3,102.18
Balance as at end of the year	9,796.11	10,223.18

The Profit and Loss Statement shows the following amounts relating to leases:

c. Depreciation and interest expense

(Amount in Rs. Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Depreciation expense	3	2,673.79	2,499.59
Interest expense	26	1,038.71	1,082.30
Total		3,712.50	3,581.89

Notes to the Financial Statements

Note 3: Property, plant and equipment (Contd..)

d. Current and Non-Current lease liabilities :

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	3,502.80	3,172.78
Non-current lease liabilities	6,293.31	7,050.40 [#]
Total	9,796.11	10,223.18[#]

e. Contractual Maturities of lease liabilities

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Less than 1 year	3,502.80	3,172.78
One to five years	2,212.45	3,887.00
More than five years	4,080.86	3,163.41
Total	9,796.11	10,223.18

Note 4: Intangible assets

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

Particulars	Amount in Rs. Lakhs	
	Software	
	As at March 31, 2024	As at March 31, 2023
Gross carrying amount		
Opening gross carrying amount	1,551.34	1,506.96
Additions	38.72	44.38
Closing gross carrying amount	1,590.06	1,551.34
Accumulated amortisation		
Opening accumulated amortisation	1,272.85	1,020.66
Amortisation charge	218.79	252.19
Closing accumulated amortisation	1,491.64	1,272.85
Closing net carrying amount	98.42	278.49

Note 5: Other financial assets

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Non-current		
- Security deposit	939.58	1,311.83
- Bank deposits with more than 12 months maturity (Under lien against bank guarantees)	44.12	177.00
Total Non-current	983.70	1,488.83
Current		
Other Bank Balance	13,908.50	4,281.32
Interest receivable	38.17	21.08
Unbilled revenue	1,681.56	1,515.99
Total Current	15,628.23	5,818.39
Total	16,611.93	7,307.22

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

Notes to the Financial Statements

Note 6: Other non-current assets

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Other advances	14.08	23.51
Total	14.08	23.51

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 (at lower of cost and net realisable value)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Natural Gas	296.57	232.01
Stock of Stores and Spares	698.72	511.49
Total	995.29	743.50

Note 8: Trade receivables

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Trade receivables	13,865.44	12,684.38
Total receivables	13,865.44	12,684.38
Less: Provision for expected credit loss	(356.66)	(303.94)
Total Provisions	(356.66)	(303.94)
Total	13,508.78	12,380.44

Break-up of trade receivables

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
- Trade receivables considered Good-secured	6,095.24	5,952.63
- Trade receivables considered Good-Unsecured	7,413.53	6,427.81
- Trade receivables considered which have significant increase in credit risk	-	-
- Trade receivables credit impaired	356.66	303.94
Total	13,865.44	12,684.38
Less: Provision for expected credit loss	(356.66)	(303.94)
Total	13,508.78	12,380.44

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.

Trade Receivable Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good						
FY 2023-24	13,158.07	186.75	69.77	37.25	56.94	13,508.78
FY 2022-23	11,861.63	180.14	62.50	62.13	214.04	12,380.44
(ii) Undisputed Trade Receivables – considered doubtful						
FY 2023-24	-	-	-	-	-	-
FY 2022-23	-	-	-	-	-	-

Notes to the Financial Statements

Note 8: Trade receivables (Contd..)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Disputed Trade Receivables – considered good						
FY 2023-24	-	-	-	-	-	-
FY 2022-23	-	-	-	-	-	-
(iv) Disputed Trade Receivables – Considered Doubtful						
FY 2023-24	15.56	23.41	67.44	42.17	208.08	356.66
FY 2022-23	29.56	24.87	5.82	21.78	221.91	303.94
Total						
FY 2023-24	13,173.63	210.16	137.22	79.42	265.01	13,865.44
FY 2022-23	11,891.19	205.01	68.32	83.91	435.95	12,684.38

Note 9: Cash and cash equivalents

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In Current Accounts	10,937.17	9,382.89
Other Bank Balances	901.22	-
Cash on hand	67.89	40.10
Total	11,906.28	9,423.00

Note 10: Other Current assets

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advance to supplier and employees	184.99	799.50
Receivable from revenue authorities :		
- Cenvat recoverable	104.95	34.58
- VAT recoverable	0.25	8.58
- GST recoverable	19.94	20.93
- Balance with income tax	644.40	290.93
Prepaid expenses	241.89	1,861.81
Total	1,196.42	3,016.32

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 2022	1,000.00	10,000.00
Increase	-	-
As at 31 March 2023	1,000.00	10,000.00
Increase	-	-
As at 31 March 2024	1,000.00	10,000.00

Notes to the Financial Statements

Note 11: Equity share capital and other equity (Contd..)

(i) Movements in equity share capital

Particulars	Number of shares (in lakhs)	Amount
As at '01 April 2022	1,000.00	10,000.00
Increase	-	-
As at 31 March 2023	1,000.00	10,000.00
Increase	-	-
As at 31 March 2024	1,000.00	10,000.00

Terms/ rights attached to equity shares

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

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

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

A] Shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% Change during the year	
	No. of shares (in lakhs)	% of total shares	No. of shares (in lakhs)	% of total shares	2023-24	2022-23
GAIL (India) Limited	225.00	22.50	225.00	22.50	-	-
Bharat Petroleum Corporation Ltd. (BPCL)	225.00	22.50	225.00	22.50	-	-

B] Shares held by others than promoters at the end of the year

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		% Change during the year	
	No. of shares (in lakhs)	% of total shares	No. of shares (in lakhs)	% of total shares	2023-24	2022-23
Indraprastha Gas Limited	500.00	50.00	500.00	50.00	-	-

11 (b) Reserves and Surplus

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Retained earnings	1,75,035.32	1,32,021.72
Total	1,75,035.32	1,32,021.72

(i) Retained earnings

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Opening balance	1,32,021.73	99,809.97
Net profit	61,011.98	42,108.57
	1,93,033.71	1,41,918.53

Notes to the Financial Statements

Note 11: Equity share capital and other equity (Contd..)

Amount in Rs. Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Items of other comprehensive income recognised directly in retained earnings:		
i. Impact of retirement of lease assets	-	80.86
ii. Remeasurement of post employment benefit obligation, net of tax	1.61	22.32
iii. Dividend distributed to equity shareholders	(18,000.00)	(10,000.00)
Closing balance	1,75,035.32	1,32,021.72
Total	1,75,035.32	1,32,021.72

12 : Long-term borrowings

Particulars	Maturity Date	Terms of Repayment	Coupon or Interest rate	31-Mar-24	31-Mar-23
Secured*		Refer note below*			
Term loan From bank					
Secured Rupee Loan from HDFC Bank	25-Jul-25		Monthly MCLR@8.95%	(0.00)	3,000.00
Secured Rupee Loan from Bank of Baroda	30-Sep-35		Fortnightly MCLR + 0.45% total @8.50%	48,868.32	39,761.67
Secured Rupee Loan from Punjab National Bank	31-Mar-37		Quarterly MCLR + 0.10% total 8.45%	2,821.45	-
Total				51,689.77	42,761.67
Less: Current maturities of long-term debt (Refer note 19)				-	500.00
Less: Interest accrued (Refer note 19)				-	299.84
Total long term Borrowings				51,689.77	41,961.83

Non current borrowings :

*Security :

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.

PNB - Pari-passu charge on the fixed assets (moveable and immovable) of the company, both present and future pertaining to 2 GA's except current assets where working capital vendors will have charge.

Terms of Repayment :

- BOB - Quarterly installment of Rs. 2788 Lakhs each starting from December 31, 2025 onwards.
- PNB - Quarterly installment of Rs. 6950 Lakhs each starting from June 30, 2027 onwards.

The Carrying amount of financial and non financial assets pledged as security for current and non current borrowing are disclosed in note 38.

13 : Other financial liabilities

Amount in Rs. Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security Deposit from customers	756.64	565.68
Total	756.64	565.68

Notes to the Financial Statements

13 : Other financial liabilities (Contd..)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
Current		
Deposits (earnest money deposit)	274.86	240.98
Capital creditors	6,489.85	5,263.07
Employee related payables	405.18	561.02
Security Deposit from vendors	1,497.32	1,339.08
Security deposit from customers	18,930.87	15,837.06
Total	27,598.08	23,241.21
Total	28,354.72	23,806.89

Note 14 : Provisions

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Provisions for employee benefits				
Leave Obligations (i)	74.34	379.92	52.82	346.40
Gratuity (ii)*	29.54	-	7.32	0.00
Total	103.88	379.92	60.14	346.40

Note 15: Employee benefit obligations

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligations (i)	74.34	379.92	454.26	52.82	346.40	399.22
Gratuity (ii)*	29.54	-	29.54	7.32	-	7.32
Total	103.88	379.92	483.80	60.14	346.40	406.54

*In case of Actuarial valuation in respect of gratuity, in the current financial year i.e. FY 2023-24 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 of the company's liability for earned leave as per actuarial report is as follows :

Particulars	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
Opening obligation	399.22	351.19
Add: Provision made during the year (net of payment)	55.04	48.03
Closing obligation	454.26	399.22

Company has made provision during the year of Rs. 98.19 lakhs (March 31, 2023 - Rs. 84.93 lakhs), 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	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
Current	74.34	52.82
Non current	379.92	346.40

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions of Rs. 294.44 Lakhs (Previous Year Rs. 285.42 Lakhs) are 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.

Notes to the Financial Statements

Note 15: Employee benefit obligations (Contd..)

(iii) Defined benefit plan

(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.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

1) Liability Risks

a. Asset-Liability Mismatch Risk:

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuations swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk:

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk:

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The Company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claims settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Amount in Rs. Lakhs	
	As per March 31, 2024	As per March 31, 2023
Discount rate	7.20%	7.40%
Expected rate of salary increase	7.00%	7.00%

Defined benefit plans as per actuarial valuation on 31st March, 2024

	Rs. in Lakhs	
	Funded Plan - Gratuity	
Particulars	March 31, 2024	March 31, 2023
I(a). Expense recognised in the Statement of Profit and Loss for the year		
1) Current service cost	46.99	47.16
2) Past Service Credit	-	-
3) Interest cost	(0.34)	0.06
	46.65	47.22

Notes to the Financial Statements

Note 15: Employee benefit obligations (Contd..)

Rs. in Lakhs

Particulars	Funded Plan - Gratuity	
	March 31, 2024	March 31, 2023
I(b). Included in other Comprehensive Income		
1) Return on plan assets	0.95	(4.95)
2) Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	3.61	(0.76)
- Financial Assumptions	4.14	(15.27)
- Experience Adjustments	(10.85)	(8.85)
	(3.10)	(24.88)
	(2.15)	(29.83)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Rs. in Lakhs

Particulars	Funded Plan - Gratuity	
	March 31, 2024	March 31, 2023
Service Cost		
Current Service Cost	46.99	47.16
Past service cost and (gains)/losses from settlements		
Net interest expense	(0.34)	0.06
Components of defined benefit costs recognised in statement of Profit and Loss	46.65	47.22
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.95	(4.95)
Actuarial gains and loss arising from changes in financial assumptions	4.14	(15.27)
Actuarial gains and loss arising from experience adjustments	(10.85)	(8.85)
Actuarial gains and loss arising from Demographic adjustments	3.61	(0.76)
Components of defined benefit costs recognised in other comprehensive income	(2.15)	(29.83)
Total	44.50	17.38
I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		
1. Present value of defined benefit obligation as at year end	387.73	322.18
2. Fair value of plan assets as at year end	358.19	314.86
3. Surplus/(Deficit)	(29.54)	(7.32)
4. Current portion of the above	(29.54)	(7.32)
5. Non current portion of the above	358.19	314.86
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	322.18	283.40
2. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	46.99	47.16
- Past Service Cost	-	-
- Interest Expense/(Income)	23.76	18.91
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	3.61	(0.76)
ii. Financial Assumptions	4.14	(15.27)
iii. Experience Adjustments	(10.85)	(8.85)
4. Benefit payments	(2.11)	(2.41)
5. Present value of defined benefit obligation at the end of the year	387.73	322.18
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	314.86	269.15
2. Expenses Recognised in Statement of Profit and Loss		

Notes to the Financial Statements

Note 15: Employee benefit obligations (Contd..)

Rs. in Lakhs

Particulars	Funded Plan - Gratuity	
	March 31, 2024	March 31, 2023
- Expected return on plan assets	24.11	18.85
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(0.95)	4.95
5. Contributions by employer (including benefit payments recoverable)	23.93	26.77
6. Benefit payments	(2.11)	(2.41)
7. Mortality charges and taxes	(1.65)	(2.45)
8. Fair value of plan assets at the end of the year	358.19	314.86
IV. The Major categories of plan assets		
Fund managed by insurer	100%	100%
V. Actuarial assumptions		
1. Discount rate	7.20%	7.40%
2. Expected rate of return on plan assets	7.40%	6.70%
3. Attrition rate	13.00%	10.00%
4. Medical premium inflation	NA	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Year ended	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	As at March 31, 2024	1%/-1%	367.79	409.68
	As at March 31, 2023	1%/-1%	302.30	344.38
Salary growth rate	As at March 31, 2024	1%/-1%	402.24	373.42
	As at March 31, 2023	1%/-1%	338.06	306.84
Withdrawal rate	As at March 31, 2024	1%/-1%	388.56	386.83
	As at March 31, 2023	1%/-1%	323.16	321.10

Note 16: Deferred tax liabilities

Amount in Rs. Lakhs

Particulars	As per March 31, 2024	As per March 31, 2023
Opening Balance	8,035.81	6,527.78
Changes during the year		
Impact of Expenditure charged to P&L in the current period but allowed for tax calculations on payment basis:		
- Others	2,036.21	1,508.03
Deferred Tax impact during the year	2,036.21	1,508.03
Closing Balance	10,072.02	8,035.81

Note 17: Trade payables

Amount in Rs. Lakhs

Particulars	As per March 31, 2024	As per March 31, 2023
Trade payables		
(i) Micro and Small Enterprises	801.38	598.64
(ii) Others	16,470.14	15,153.74
(iii) Disputed dues- MSME	-	-
(iv) Disputed dues - Others	-	-
Total	17,271.52	15,752.38

Notes to the Financial Statements

Note 17: Trade payables (Contd..)

Trade Payables Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
FY 2023-24	752.57	24.70	1.36	22.75	801.38
FY 2022-23	553.61	14.79	22.90	7.34	598.64
(ii) Others					
FY 2023-24	10,511.55	335.22	1,770.00	3,853.37	16,470.14
FY 2022-23	9,388.23	2,652.82	2,252.33	860.36	15,153.74
(iii) Disputed dues- MSME					
FY 2023-24	-	-	-	-	-
FY 2022-23	-	-	-	-	-
(iv) Disputed dues - Others					
FY 2023-24	-	-	-	-	-
FY 2022-23	-	-	-	-	-
Total					
FY 2023-24	11,264.12	359.93	1,771.36	3,876.12	17,271.52
FY 2022-23	9,941.84	2,667.60	2,275.23	867.70	15,752.38

Note 18: Tax liabilities

Particulars	Amount in Rs. Lakhs	
	As per March 31, 2024	As per March 31, 2023
Opening balance -	430.31	2,154.87
Current tax	18,708.51	12,973.71
Current tax payable- OCI	0.54	7.51
Add : Tax impact of earlier years	28.57	-
Less: Tax Paid of earlier years	(27.90)	(1,605.78)
Less: Taxes paid during the year	(19,000.00)	(13,100.00)
Closing balance	140.03	430.31

Note 19: Short Term Borrowings

Particulars	Amount in Rs. Lakhs	
	As per March 31, 2024	As per March 31, 2023
Current maturities of long-term borrowings (Note 12)	-	500.00
Interest accrued (note 12)	-	299.84
Total	-	799.84

Short Term Borrowings:

1. Bank of Maharashtra

Working Capital facility sanctioned - Rs. 2500 Lakhs (Prev. Year : Rs. 2500 Lakhs) against security of trade receivables. This limit is not yet utilised since the date of sanction. The monthly statements of trade receivables is filed with banks are in agreement with the books of accounts.

2. Axis Bank

Working Capital facility sanctioned - Rs. 100 Lakhs (Prev. Year : Rs. 2500 Lakhs) against Pari passu charge on entire receivables. This limit is not yet utilised since the date of sanction.

Notes to the Financial Statements

Note 20: Other current liabilities

Amount in Rs. Lakhs		
Particulars	As per March 31, 2024	As per March 31, 2023
Current		
Tax deducted at source payable	240.42	217.66
Balance payable to government authorities	269.10	132.39
Advance from customers	571.84	637.79
Total	1,081.36	987.84

Note 21: Revenue from operations

Amount in Rs. Lakhs		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products (inclusive of excise duty)	2,97,072.93	2,68,150.64
	2,97,072.93	2,68,150.64
Other operating revenue		
Application fees	248.79	138.62
Other revenue	1,887.29	1,665.58
Recoveries from customers	145.98	69.18
	2,282.06	1,873.37
Total	2,99,354.99	2,70,024.02

Note 22 : Other income

Amount in Rs. Lakhs		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on Bank deposits	818.52	195.53
Profit on sale of assets	0.22	2.09
Interest - others	13.15	16.13
Other income	0.97	9.02
Total	832.86	222.78

Note 23 (a) Purchase of natural gas

Amount in Rs. Lakhs		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Natural gas cost	1,53,690.78	1,60,167.83
LCNG Conversion Cost/Facilitation Charges	2,091.95	1,666.67
Total	1,55,782.73	1,61,834.50

Note 23 (b) Change in inventories of stock-in-trade

Amount in Rs. Lakhs		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	232.01	175.21
Closing stock	(296.57)	(232.01)
Total	(64.56)	(56.80)

Notes to the Financial Statements

Note 24 : Employee Benefit Expense

Amount in Rs. Lakhs

Particulars	Notes	Year end March 31, 2024	Year ended March 31, 2023
Salaries and Wages		1,586.40	1,734.02
Secondment expenses		240.82	212.28
Contribution to provident fund and other funds		296.27	307.05
Staff welfare expenses		58.59	33.89
Total		2,182.08	2,287.25

Note 25 : Depreciation and amortization expense

Amount in Rs. Lakhs

Particulars	Notes	Year end March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	3	10,988.48	9,050.80
Amortization of intangible assets	4	218.79	252.19
Total		11,207.27	9,302.99

Note 26: Finance costs

Amount in Rs. Lakhs

Particulars	Year end March 31, 2024	Year ended March 31, 2023
Interest on borrowing	1,986.05	1,078.70
Bank charges	135.80	119.11
Interest other than borrowing*	1,038.71	1,082.30
Total	3,160.56	2,280.11

* Lease interest

Note 27(a) : Other expenses

Amount in Rs. Lakhs

Particulars	Year end March 31, 2024	Year ended March 31, 2023
Operations and maintenance expenses	7,246.89	4,880.10
Operations and maintenance expenses CNG	5,119.09	3,531.93
Operations and maintenance expenses PNG	2,127.80	1,348.17
Power and fuel	6,989.22	5,518.03
Electricity Charges for CNG Station	1,861.67	1,746.52
Captive Gas Consumption	5,127.55	3,771.50
Selling & distribution expenses	2,765.12	1,748.66
Advertisement/Business & Sales Promotion Expenses	153.24	142.88
PMPML Commission	44.45	36.05
CNG cascade transport charges	1,032.99	1,238.15
CRM & DMA Expenses	392.12	326.92
Facility Charges - OMC	1,142.32	4.66
Administrative expenses	3,803.80	3,552.14
Contractual Staff Payments	146.12	86.01
General Repairs & Maintenance	4.09	5.60
Electricity Charges Office & Warehouse	56.15	53.25
Vehicle hiring charges	236.99	183.29
Celebration Expenses	111.75	94.23
Subscription / Membership Fees	27.54	23.90
Rates & Taxes	198.83	194.02
Miscellaneous Expenses	2.93	5.01
News paper & periodicals	0.55	0.07
Rent for office, warehouse, CNG stations, etc.	142.74	240.44
Insurance	127.02	129.95

Notes to the Financial Statements

Note 27(a) : Other expenses (Contd..)

Particulars	Amount in Rs. Lakhs	
	Year end March 31, 2024	Year ended March 31, 2023
Legal expenses	35.43	27.96
Postage/Courier and Telephone expenses	59.82	54.61
Recruitment expenses	0.62	0.80
Payment to Auditors :		
- Audit Fees	22.42	22.42
- Travelling & Out of pocket expenses	1.18	1.18
Professional fees	119.81	174.76
Printing & stationery	16.16	17.67
Security expenses	371.59	307.90
Training and seminar expenses	5.18	7.61
Safety expenses	79.21	86.88
House keeping expenses	96.91	85.90
Board Meeting Expenses	11.89	19.29
Director sitting fees	17.70	16.28
Travelling Expenses	197.82	158.52
Stores and spares consumed	290.01	155.67
Corporate social responsibility (CSR)	835.44	686.64
SAP support costs	364.67	362.27
Provision for Doubtful Debts	52.72	177.92
PNGRB Fees and Expenses	75.00	50.00
Amortisation of GAIL Hook Up Charges	42.26	37.18
Loss on sale of Assets	9.11	62.97
Loss on sale of Scrap	44.14	21.95
Total	20,805.03	15,698.93

27(b) : Corporate Social Responsibility expenditure

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2024	As at March 31, 2023
(i) Amount required to be spent by the company during the year	832.49	643.20
(ii) Amount spent during the year on CSR other than on construction/acquisition of any asset	201.77	305.57
(iii) Where a provision is made with respect to liability incurred by entering into contractual obligation, the movements in the provision during the year shall be shown separately	630.72	337.63
(iv) Amount unspent as at 31-03-24, related to ongoing projects, directly paid to Vendors post year end	38.35	-
(iv) Amount transferred to a designated bank account related to ongoing projects*	592.37	335.08
(v) Amount deposited to the fund specified in Schedule VII of the Companies Act, 2013		2.55
(vi) Shortfall	-	-
(vii) Nature of CSR activities undertaken by the Company	Not undertaken	Not undertaken
(viii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per IND AS 24	Nil	Nil

*The above excludes an extra amount provided and transferred to designated account Rs. 2.95 Lakhs

Notes to the Financial Statements

Note 28: 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	Note No.	Amount in Rs. Lakhs	
		March 31,2024	March 31,2023
(a) Income tax expense			
Current tax on profits for the year	18	18,708.51	12,973.71
Previous year tax		28.57	-
Current tax expense		18,737.08	12,973.71
Deferred tax	16	2,036.21	1,508.03
Deferred tax expense/(benefit)		2,036.21	1,508.03
Income tax expense reported in the statement of profit or loss		20,773.29	14,481.74
Deferred tax related to items recognised in OCI during the year			
Net loss/(gain) on remeasurements of defined benefit plans	18	0.54	7.51
Total Tax expense		20,773.83	14,489.25

Note 29: Fair value measurements

Financial instruments by category

Particulars	Note Reference	March 31,2024			March 31,2023		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Trade receivables	8	-	-	13,508.78	-	-	12,380.44
Cash and cash equivalents	9	-	-	11,906.28	-	-	9,423.00
Security deposits	5	-	-	939.58	-	-	1,311.83
Earmarked fixed deposits	5	-	-	44.12	-	-	177.00
Other fixed deposits	5	-	-	13,908.50	-	-	4,281.32
Interest receivable	5	-	-	38.17	-	-	21.08
Unbilled revenue	5	-	-	1,681.56	-	-	1,515.99
Total		-	-	42,026.99	-	-	29,110.65
Financial liabilities							
Borrowings (including interest accrued)	12	-	-	51,689.77	-	-	42,761.67
Security deposits	13	-	-	1,497.32	-	-	1,339.08
Security deposit from customers	13	-	-	19,687.51	-	-	16,402.74
Earnest money deposits	13	-	-	274.86	-	-	240.98
Capital creditors	13	-	-	6,489.85	-	-	5,263.07
Trade payables	17	-	-	17,271.52	-	-	15,752.38
Employee related payables	13	-	-	405.18	-	-	561.02
Total		-	-	97,316.02	-	-	82,320.94

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.

Note 30: 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.

Notes to the Financial Statements

Note 30: Financial risk management (Contd..)

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
(A) 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
(B) Credit Risk	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
(C) 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.

Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arises from trade receivables, security deposits, cash and cash equivalents and deposits with banks.

(a) Trade receivables

The Company supplies natural gas to customers.

Concentrations of credit risk with respect to trade receivables are limited as majority credit sales are made to high credit worthy entities and balance credit sales are against securities in the form of customer security deposits, bank guarantees and letter of credit. All trade receivables are reviewed and assessed for default on regular basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposits, bank guarantees etc. which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Notes to the Financial Statements

Note 30: Financial risk management (Contd..)

Provision for expected credit loss

Trade receivables for which loss allowance is measured using Lifetime expected credit losses (ECL)

Exposure to risk	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Trade receivables	13,865.44	12,684.38

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

Reconciliation of loss allowance provision - Trade receivables

	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Loss allowance - Opening Balance	303.94	126.02
Provided during the year	52.72	177.92
Loss allowance - Closing Balance	356.66	303.94

(b) Other financial assets

The Company maintains exposure in security deposits, cash and cash equivalents and term deposits with banks.

- In case of security deposits, majority of which are given to statutory authorities towards pipeline laying activity, the credit risk is low.
- In case of bank fixed deposits regular quotations for interest rate are invited and based on best offered rate the bank deposits are placed with bankshaving reasonably high net worth. Exposures of deposit placed are restricted to limits per bank as per policy and limits are actively monitored by the Company. We understand that the credit risk is very low to moderate for such deposits.

(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, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

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

(i) Financing arrangements

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

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Floating rate		
- Expiring within one Year (Working Capital facility from Bank of Maharashtra and Axis Bank)	2,600	5,000

(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.

Notes to the Financial Statements

Note 30: Financial risk management (Contd..)

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.

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Contractual maturities of financial liabilities		
Less than 1 year :		
Borrowings	-	799.84
Other financial liabilities	27,598.08	23,241.21
Less than 1 year	27,598.08	24,041.05
More than 1 year :		
Borrowings	51,689.77	41,961.83
Other financial liabilities	756.64	565.68
More than 1 year	52,446.41	42,527.51
Total financial liabilities	80,044.49	66,568.56

Note 31: 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).

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

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Net debt	39,783.49	33,338.67
Total equity	1,85,035.32	1,42,021.72
	2,24,818.81	1,75,360.39
Net debt to (Equity + Debt) ratio	17.70%	19.01%

i) Loan Covenants

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

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Current ratio (in times)	0.87	0.71
G.DSCR (in times)	11.39	6.02
TOL/TNW (in times)	0.64	1.72
PBDI/Int. (in times)	23.85	23.55
ROCE (in %)	38%	34%

Notes to the Financial Statements

Note 31: Capital management (Contd..)

ii) Ratios:

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	Mar-24	Mar-23	% Variation
1. Current ratio (in times)	Current Assets	Current Liabilities	0.87	0.71	23%
2. Debt Equity Ratio (in times)	Debt	Shareholders Equity	0.28	0.30	-7%
3. Debt Service Coverage Ratio (in times) #1	PAT + Depreciation + Finance Cost	Gross interest for the period + principal repayment within a year	11.39	6.02	89%
4. Return on Equity Ratio (in %)	Profit After Tax	Shareholders Equity	33%	30%	11%
5. Inventory Turnover Ratio (in times) #2	Cost of Goods sold	Average Inventory of Natural Gas	0.62	0.46	35%
6. Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Accounts Receivable	20.14	20.75	-3%
7. Trade Payables Turnover Ratio (in times) #3	Net Credit Purchases	Average Accounts Payable	9.43	13.82	-32%
8. Net Capital Turnover Ratio (in times) #4	Sales	Working Capital	(45.97)	(20.53)	124%
9. Net Profit Ratio (in %) #5	Profit After Tax	Sales (Net of Excise Duty)	22%	17%	31%
10. Return on Capital Employed (in %)	PBDIT	Capital Employed *	38%	34%	11%
11. Return on Investment (in %)	PAT	Cost of Investment	NA	NA	-

#1 The reason of increase in Debt service coverage ratio is mainly due to increase in Profit

#2 The reason of increase in Inventory Turnover ratio is mainly due to increase in operation resulting into increase in Cost of goods sold

#3 The reason of decrease in Trade Payables Turnover ratio is mainly due decrease in cost of credit purchases

#4 The reason of improvement in Net Capital Turnover ratio is mainly due to increase in turnover.

#5 The reason of increase in Net Profit Ratio is mainly due to increase in turnover.

* Capital employed is calculated as total assets net of current liabilities.

iii) Relationship with Struck off companies

Name of the Struck off company	Nature of Transactions	Relationship with the Struck off company, if any, to be disclosed	Balance Outstanding
ACCURATE FLOWMETERS	Purchase	Vendor	0.32

Note 32: Segment information

a) Description of segments and principal activities

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended 31 March 2024.

b) Entity wide disclosures

Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas."

Notes to the Financial Statements

Note 32: Segment information (Contd..)

Geographical Information :

The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers earned and non-current asset are located, in India.

Information about major customers:

In the current year, revenue from single external customer amounting to Rs. 43511.67 Lakhs (previous year Rs. 57704.83 Lakhs) individually accounted for more than ten percent of the revenue.

Note 33: Related party transactions

(a) Associate entities

The Company is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			March 31,2024	March 31,2023
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

Shri. Kumar Shanker - Managing Director (w.e.f. 23.02.2023)

Shri. Deepak Sawant - Managing Director (Upto 23.02.2023)

Shri. Sanjay Sharma - Director Commercial (w.e.f. 30.01.2021)

Shri. Sanjay Kumar - Non Executive Director (Upto 15.06.2023)

Shri K. K. Chattiwai – Non-Executive Director (w.e.f. 19.06.2023)

Shri. Pawan Kumar - Non Executive Director (w.e.f. 04.12.2021)

Shri. Deepak Gupta - Non Executive Director (Upto 05.05.2023)

Shri H. K. Srivastava – Non-Executive Director (w.e.f. 05.05.2023)

Shri. Anil Kumar - Non Executive Director (w.e.f. 01.09.2022)

Smt. Bageshree Manthalkar - Independent Director (w.e.f. 19.03.2021)

Shri. Sarathy M K - Chief Financial Officer (w.e.f. 21.05.2021)

Smt. Shreya Prabhudesai - Company Secretary (w.e.f. 27.08.2018)

(c) Transactions with related parties

The following transactions occurred with related parties:

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Indraprastha Gas Limited (IGL)		
Dividend paid	9,000.00	5,000.00
Sitting fees paid	7.08	6.25
Bharat Petroleum Corporation Limited (BPCL)		
Sale of goods to parent entity including indirect taxes	44,850.89	30,656.65
Reimbursement of expenses to parent entity	1.16	2.41
Salaries, allowances and other related payments to parent entities	98.39	86.31
Receiving of Services	1,702.81	2.48
Rendering of Services	542.47	667.71
Pipeline Crossing Charges	385.07	4.72

Notes to the Financial Statements

Note 33: Related party transactions (Contd..)

Particulars	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
Dividend paid to parent entity	4,049.95	2,249.97
Sitting fees paid	3.07	2.95
GAIL (India) Limited		
Purchases of raw material from parent entity including indirect taxes	1,61,122	1,67,212.72
Reimbursement of expenses to parent entity	0.80	2.29
Salaries, allowances and other related payments to parent entities	132.31	117.64
Dividend paid to parent entity	4,050.00	2,250.00
Sitting fees paid	3.30	2.12
Details of KMP's Remuneration including Directors Sitting Fees:		
KMP's remuneration including Directors Sitting Fees and Secondment Charges paid to Related Entities	299.95	266.55

(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	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
Trade payables (purchases of goods and services)		
BPCL	533.28	-
GAIL	6,289.25	6,365.89
Payables for expenses		
BPCL	17.92	17.22
GAIL	10.04	8.15
Indraprastha Gas Limited	0.72	0.90
Total payable to related parties	6,851.21	6,392.16

Particulars	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
Trade receivable (sale of goods and services)		
BPCL	2,640.91	1,597.66
Total receivable from related parties	2,640.91	1,597.66

(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 34: Contingent assets and liabilities

Contingent Liabilities not provided for -

Particulars	Amount in Rs. Lakhs	
	March 31, 2024	March 31, 2023
In respect of disputed demands/claims which are under appeal/ not acknowledged as debts		
i. Sales tax matter	-	35.47
ii. Service tax matter		
- Tax	2,657.10	2,657.10
- Penalty	2,658.21	2,658.21
iii. I Tax matters	548.38	0.49
iv. Claims against the Company not acknowledged as debts	167.19	142.18

Notes to the Financial Statements

Note 35: Commitments

(a) Capital commitments

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

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Property, plant and equipment	57,754.38	55,485.44

(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	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	600.97	866.12
Later than one year but not later than five years	1,728.13	2,424.05
Later than five years	2,806.64	2,740.52
Total	5,135.74	6,030.69

Rental expenses relating to operating leases

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Minimum lease payments		
Total rental expense relating to operating leases	142.74	240.44

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

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Total Lease expense during the year	1,127.36	1,022.60
Lease expense of current year transferred under IND AS 116	984.62	782.16
Balance Lease Expense shown in Profit and Loss Note 27(a)	142.74	240.44

Note 36: Events occurring after the reporting period

Refer to note 42 for the final dividend recommended by the Board of Directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 37: Earnings per share

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
Net profit attributable to the equity shareholders of the company	61,011.98	42,108.57
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.)	61.01	42.11

Weighted average number of shares used as the denominator

Particulars	Amount in Rs. Lakhs	
	March 31,2024	March 31,2023
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

Notes to the Financial Statements

Note 38: Assets pledged as security (Gross)

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

Particulars	Note	Amount in Rs. Lakhs	
		March 31, 2024	March 31, 2023
Non-current			
Primary security			
On assets in the form of fixed assets created out of term loan	12	51,689.77	42,761.67
Collateral security			
Pari Passu over residual assets in the form of fixed assets along with current assets	3	2,42,119.33	1,94,768.73
Total assets pledged as security		2,93,809.10	2,37,530.40

Note 39:

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	Amount in Rs. Lakhs	
	31-Mar-24	31-Mar-23
(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 any supplier*	219.46	285.65
- Interest due on above	65.91	-
(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	65.91	-
(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	-	-

*Above excludes amount which are not due Rs. 693.07 Lakhs and includes capital creditors Rs. 111.15 Lakhs

Note 40:

Security deposits from customers of natural gas (CNG and PNG), 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. However, if customer request for disconnection of PNG supply before completion of 05 years from commencement date, then no security deposit taken against PNG installation shall be refunded. Security deposit shall be refunded as and when customer request after completion of 5 years from the commencement date.

Note 41:

During the year ended 31st March, 2024, an amount of Rs. NIL Lakhs (Previous Year Rs. 65.03 Lakhs) was provided in the books of account towards estimated revision in trade margin payable to oil marketing companies (OMCs) as well as NRO dealers for the sale of CNG from their respective outlets based on the ongoing negotiations with them.



Notes to the Financial Statements

Note 42: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March, 2024 and the date of authorisation of the Company's financial statements. However, the Board of Directors have recommended a final dividend of Rs. 12.30/- per fully paid equity share (Previous Year - Rs. 12/-) for the year ended March 31, 2024. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 43: Previous year's figures

Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year figures.

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number: 105102W

For and on behalf of the Board of Directors of

Maharashtra Natural Gas Limited

CA Amit Mahadik

Partner

Membership No : 125657

Date : 03-05-2024

Place : Pune

Kumar Shanker

Managing Director

DIN:09533240

Sanjay Sharma

Director (Commercial)

DIN: 09025971

Sarathy M K

Chief Financial Officer

ShreyaPrabhudesai

Company Secretary

A48866



महानिदेशक वाणिज्यिक लेखा परीक्षा कार्यालय, मुंबई
8वॉ तल, "ऑडिट भवन", सी-25, बांद्रा-कुर्ला काम्प्लेक्स,
मुंबई – 400 051

**Office of The Director General of
Commercial Audit, Mumbai**

C -25, Audit Bhavan, 8th floor, Bandra – Kurla
Complex, Mumbai – 400 051.
Telephone: 022-69403800,
Email:pdcamumbai@cag.gov.in



संख्या:डीजीसीए/Report/मुंबई/MNGL/लेखों/23-24/t-2076/154

10 जुलाई 2024

प्रबंध-निदेशक

महाराष्ट्र नैचुरल गैस लिमिटेड,
पुणे.

विषय: कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन महाराष्ट्र नैचुरल गैस लिमिटेड के 31 मार्च 2024 को समाप्त लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ ।

महोदय,

मैं महाराष्ट्र नैचुरल गैस लिमिटेड के 31 मार्च 2024 को समाप्त लेखों पर कंपनी के अधिनियम 2013 के धारा 143 (6) (b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणीयाँ प्रेषित कर रहा हूँ।

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

कृपया इस पत्र की पावती भेजें।

संलग्न : यथोपरि

Thanking you,

Yours sincerely,

(Sandip Roy)
Director General of Audit

प्रति : महानिदेशक (वाणिज्यिक-II), भारत के नियंत्रक महालेखापरीक्षक का कार्यालय, दीन दयाल उपाध्याय मार्ग, नई दिल्ली।

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 2024

The preparation of financial statements of Maharashtra Natural Gas Limited for the year ended 31 March 2024 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 03 May 2024.

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 2024 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Financial Position

Balance Sheet

a) Assets

Non-Current Assets

Right of Use Assets – ₹ 9,400.71 Lakh (Note-3)

b) Equity and Liabilities

Non- Current Liabilities

Lease Liabilities – ₹ 6,293.31 Lakh (Note-3)

The Original Service Order for leasing of storage, regasification, PNG supply on lease model basis including LNG transportation for Nashik GA was amended during the year 2023-24 with an amount of ₹11,662.76 lakh. The revised contract period was also extended upto 31.01.2033 including the minimum guarantee of 40,000 MMBTU/month. However, the Right of Use (ROU) and Lease Liability having value of ₹9,262.76 lakh as per the Original Service Order, was re-measured instead of ₹11,662.

lakh based on extended period mentioned in amended agreement in accordance with the provisions of IndAS-116.

This has resulted in understatement of Lease Liability by an amount of ₹3,331.65 lakh and understatement of Right of Use Asset by an amount of ₹3,078.44 lakh and consequent understatement of Profit by ₹253.21 lakh for the year 2023-24.

B. Comments on disclosures

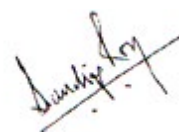
Notes to the Financial Statements

Contingent Asset and Liabilities (Note-34)

Above does not include an amount of ₹2,670.39 lakh relating to interest on disputed service tax demanded by the Commissioner, Central GST, Pune-II, in its Order dated 31.08.2018, as per section 75 of the Finance Act 1994.

This has resulted in understatement of Contingent Liabilities by ₹2,670.39 lakh.

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



**Sandip Roy
Director General of Commercial Audit, Mumbai**

Place: Mumbai

Date: 10 July 2024

Management Reply to the comments of C&AG on the Financial Statements of FY 23-24 as per provisions of section 143(6)(b) of the Companies Act, 2013.

Sr. No	Comments of CAG	Management Reply
1	<p>A. Comments on Financial Position</p> <p>Balance Sheet</p> <p>a) Assets</p> <p>Non-current Assets</p> <p>Right of Use Assets – ₹ 9,400.71 Lakh (Note-3)</p> <p>b) Equity and Liabilities</p> <p>Non-Current Liabilities</p> <p>Lease Liabilities – ₹ 6,293.31 Lakhs (Note-3)</p> <p>The Original Service Order for leasing of storage, regasification, PNG supply on lease model basis including LNG transportation for Nashik GA was amended during the year 2023-24 with an amount of ₹11,662.76 lakh. The revised contract period was also extended upto 31.01.2033 including the minimum guarantee of 40,000 MMBTU/month. However, the Right of Use (ROU) and Lease Liability having value of ₹9,262.76 lakh as per the Original Service Order, was re-measured instead of ₹11,662 lakh based on extended period mentioned in amended agreement in accordance with the provisions of IndAS-116.</p> <p>This has resulted in understatement of Lease Liability by an amount of ₹3,331.65 lakh and understatement of Right of Use Asset by an amount of ₹3,078.44 lakh and consequent understatement of Profit by ₹253.21 lakh for the year 2023-24.</p>	<p>In respect of Nashik-Pathardi LNG facilities, in accordance with the provisions of IndAS-116, the ROU Asset and Lease liability with original lease period (4+1 years) was created as per the Original Service Order.</p> <p>Pursuant to extension of lease agreement upto FY 2032-33, based on the extended period, MNGL was required to remeasure the corresponding assets [ROU] and liability [Lease Liability], and on such remeasurement, the impact on the P&L worked out to ₹2.53 crores.</p> <p>Considering MNGL's Turnover of ₹3001.88 Crores and PAT of Rs. 610.12 Crores for the financial year 2023-24, the said P&L impact of ₹ 2.53 Crores works out to 0.08% of Turnover and 0.42% of the reported PAT respectively, which may be considered materially not very significant.</p> <p>Notwithstanding the same, this classification related point is well noted and accordingly necessary rectifications to give effect to this audit observation will be carried out in FY 2024-25.</p>
2	<p>B. Comments on Disclosures</p> <p>Notes to the Financial Statements</p> <p>Contingent Assets and Liabilities (Note-34)</p> <p>Above does not include an amount of ₹2,670.39 lakh relating to interest on disputed service tax demanded by the Commissioner, Central GST, Pune-II, in its Order dated 31.08.2018, as per section 75 of the Finance Act 1994.</p> <p>This has resulted in understatement of Contingent Liabilities by ₹2,670.39 lakh.</p>	<p>The demand order raised by the Department does not include the specific amount of interest. Point no II of the Department Order mentioned about interest at appropriate rate but not the absolute amount.</p> <p>Also, contingent liability is booked as per the recorded order from the Department, and the specific amount of interest charges if imposed, may arise at the time of adjudication only, and that too in case the matter is decided against the Company.</p> <p>In this matter, as per the opinion of the MNGL consultant dealing with the matter, based on the merits of the case, MNGL winning the case was considered more likely.</p> <p>Thus the disclosure made by the Company is towards the disputed amount of demand made on the Company. Accordingly, the interest amount was not disclosed in the contingent liability schedule.</p> <p>However, Observation of audit is well noted, and to provide better disclosure, the facts related to interests henceforth will be suitably done in the Financials of FY 2024-25.</p>

**Registered Office**

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

Corporate Office

2nd, 3rd & 4th floor
Pride Purple Cornet,
Baner Road, Baner, Pune – 411045