



“Mahanagar Gas Limited 27th Annual General Meeting”

August 24, 2022



**MANAGEMENT: MR. SANJIB DATTA – MANAGING DIRECTOR,
MAHANAGAR GAS LIMITED
MR. SANJAY SHENDE - DEPUTY MANAGING
DIRECTOR, MAHANAGAR GAS LIMITED
MR. RAJESH PATEL - CHIEF FINANCIAL OFFICER,
MAHANAGAR GAS LIMITED
MR. ATUL PRABHU - COMPANY SECRETARY &
COMPLIANCE OFFICER, MAHANAGAR GAS LIMITED**



*Mahanagar Gas Limited
August 24, 2022*

Moderator: Dear shareholders, good morning and warm welcome to you all to the 27th Annual General Meeting of Mahanagar Gas Limited through video conferencing. As a reminder, for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be enabled for the speaker shareholders as per their pre-registration. Please note that as per the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. I now hand over the proceedings to Mr. Atul Prabhu - Company Secretary and Compliance Officer of Mahanagar Gas Limited. Thank you and over to you, sir.

Atul Prabhu: Dear shareholders, good morning. I, Atul Prabhu - Company Secretary and Compliance Officer of Mahanagar Gas Limited, is very pleased to welcome all of you to the 27th Annual General Meeting of your company being held through video conferencing. This Annual General Meeting is being conducted in accordance with the various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. Members attending this meeting through video conferencing mode shall be counted for the purpose of quorum as per section 103 of Company's Act 2013.

I would like to take you through certain points regarding the participation at this meeting. This facility of joining through video conferencing is being made available for members on first come first serve basis. All members who have joined this meeting by default are placed on mute mode by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the meeting. Once the question and answer session starts, the operator will announce the names of the shareholders who have registered as speaker shareholders one by one. The speaker shareholder thereafter will be unmuted by the host. To start speaking, the shareholders are requested to click on video on button. If the shareholder is not able to join through video conferencing for any reason, he or she can speak through audio mode. While speaking, he or she may use the earphone so that he or she is clearly audible and any noise from the background is minimized. Ensure that the Wi-Fi connection is not connected to any other device and no background application are running and there is good lighting to have a good video experience. If there is any connectivity problem at the speaker shareholder's end, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak once the other shareholders who had registered complete their turn.

We would like to request the shareholders to limit their speech to 3 minutes. During the Annual General Meeting, if any member faces any technical issue, he or she may contact the helpline number mentioned in the notice of the Annual General Meeting. Soft copy of the annual report for the financial year 2021-2022 and the notice of the Annual General Meeting have been sent to all the shareholders whose email addresses have been registered with the registrar and transfer agent and the depository participant. The notice and the annual report of the company can also be viewed on the website of the company as well as the websites of the stock exchanges that is NSE and BSE. Mr. Manoj Jain - Chairman of Mahanagar Gas Limited being indisposed is not able to join the Annual General Meeting. He has conveyed his best wishes to the company for



*Mahanagar Gas Limited
August 24, 2022*

the upcoming financial year and expressed gratitude to the members attending the Annual General Meeting. The directors have elected Mr. Sanjib Datta - Managing Director of the company as the Chairman for the 27th Annual General Meeting. Thank you. Over to you, Chairman sir.

Sanjib Datta:

Thank you Mr. Atul Prabhu. Good morning shareholders. I would like to welcome all of you to the 27th Annual General Meeting of your company being held through video conferencing. As the requisite quorum is present, I now call the meeting in order. The Directors of your company have joined through video conferencing facility. Now, I would like to introduce all of them. Myself, Sanjib Datta - Managing Director; Mr. Sanjay Shende - Deputy Managing Director; Mr. Syed Hussain - Independent Director and Chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee; Mr. S. Venkataraman - Independent Director and Chairman of Audit Committee; Mrs. Malvika Sinha - Independent Director and Chairperson of Corporate Social Responsibility Committee; Mr. Rajeev Bhaskar Sahi - Independent Director and Chairman of Risk Management Committee. Mr. Rajesh Patel - Chief Financial Officer of the company is also present in the meeting.

The representatives of the Statutory Auditors, M/s S R B C & Company LLP and the representatives of the Secretarial Auditors M/s Dholakia & Associates LLP have also joined this meeting through video conferencing from their respective locations.

I thank all the members who have joined this meeting through video conferencing. I hope that the members are safe and in good condition of health. In view of continuing COVID-19 pandemic and keeping in mind the safety and security of the members and employees of the company, the Annual General Meeting is being convened through video conferencing in accordance with the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. GAIL and Government of Maharashtra have appointed their authorized representatives for the Annual General Meeting. Since there is no requirement of physical attendance of the members, the requirement of appointing proxies is not applicable.

The statutory registrars and other documents are available electronically for inspection during the AGM. Members seeking to inspect such documents can send an email to 27thagm@mahanagargas.com. Members who have not voted earlier through remote e-voting facility can cast their votes during the course of this meeting through the e-voting facility. The notice calling the 27th Annual General Meeting and the annual report for the financial year 2021-22 have already been circulated to all the eligible shareholders electronically. The reports of the statutory auditors and secretarial auditors for the financial year 2021-22 are self-explanatory in nature. Further, your company is in compliance with the statutory requirements of composition of board and its committees as on today. With your permission, I take the notice convening this Annual General Meeting, the Director's report, Auditor's report, Secretarial Auditor's report, etc., as read.



*Mahanagar Gas Limited
August 24, 2022*

We now take up the resolutions as set forth in the notice.

Ordinary business, item no. 1: To receive, consider and adopt the audited financial statements of the company for the financial year ended 31st March 2022 together with the reports of the Board of Directors and Auditors thereon.

Item no. 2: To confirm the payment of interim dividend of Rs. 9.50 per equity share already paid and to declare the final dividend of Rs. 15.50 per equity share for the financial year ended on 31st March 2022.

Item no. 3: To appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the company for a term of 5 consecutive years and fix their remuneration.

Special Business: Item no. 4: Ratification of remuneration payable to M/s ABK & Associates, Cost Auditors for financial year 2022-23.

Item no. 5: To approve material related party transactions for financial year 2022-23 and financial year 2023-24. The resolutions as set forth in the notice shall be deemed to have been passed today that is 24th of August 2022 subject to receipt of requisite number of votes.

Dear shareholders, I have already shared my thoughts with you through my letter in the annual report. I take this opportunity to dwell upon some more thoughts. Dear members, it is an honor and pleasure to welcome you all to the 27th Annual General Meeting of Mahanagar Gas Limited. Over the years, your company has delivered consistent profits and showcased exceptional operational efficiency to maintain its growth trajectory. With the vision to encourage the use of a safer and cleaner alternative to fossil fuel, your company endeavors to promote the use of natural gas as a responsible and green choice. Your company continues to be a strong incumbent in the City Gas Distribution Sector showcasing significant strength and core capabilities. Your company has continued to expand and strengthen its network in existing license areas. Our extensive pipeline network of around 6221 kilometer and 290 compressed natural gas filling stations allow us to serve millions of households, large number of vehicles and multiple industries with Swachh and Surakshit fuel.

Businesses worldwide had seen a turbulent time last year due to waves of COVID-19 pandemic and geopolitical events resulting in economic turmoil. In spite of the challenges, your company had collectively put up a sterling physical and financial performance. Your company is committed to ensure uninterrupted supply of natural gas to all its customers. During the year, Mahanagar Gas Limited has established connectivity with 2.62 lakh domestic households and added 24 new CNG stations and upgraded 26 CNG stations. Overall, your company has established piped natural gas connectivity with 18.6 lakh households and supplies compressed natural gas through 290 CNG stations.



*Mahanagar Gas Limited
August 24, 2022*

During financial year 2022, your company saw rise in its revenue from operations by 66.18% as compared to the previous year to reach a turnover of Rs. 38,849 million. The profit after tax decreased from Rs. 6,196 million in financial year 2021 to Rs. 5,969 million in financial year 2022 registering a marginal reduction of 3.66%. Due to the obvious impact of higher gas cost, the company's earnings before interest, depreciation, tax and amortization margin reduced to 26% during financial year 2022 as compared to 43% in financial year 2021. As part of its growth strategies, your company looks forward to investing in building comprehensive City Gas distribution ecosystem. Mahanagar Gas Limited is in the process of setting up two Liquefied Natural Gas Stations. This coupled with rollout of liquefied natural gas commercial vehicles by other original equipment manufacturers will set the momentum in the medium to long term. For making our presence in the emerging e-mobility market, an electric vehicle charging facility has been commissioned at the compressed natural gas station at City Gas Station, Sion which has started charging commercial as well as passenger electric cars.

Moreover, your company successfully provided piped natural gas connectivity to 2.62 lakh households and converted 1.20 lakh households surpassing its previous records. Mahanagar Gas Limited has also added 301 industrial and commercial consumers totaling the figure to 4339. Your company deployed a compressed natural gas composite dispensing unit at Ajivali near Panvel on old Mumbai-Pune Highway. This endeavor has allowed for dispensing compressed natural gas from relatively smaller land parcels. This effort of your company would be a boon for a space constraint metropolis like Mumbai. Even though both local and global economic indicators would remain largely unfavorable for the short to medium term, your company foresees a continued and steady growth in the years to come. Our existing territories are amongst the most developed and advanced in India. The expansion of natural gas grid has encouraged the use of natural gas as a fuel throughout the country and this is helping in the transition towards gas-based economy. Your company will continue to focus on expanding our network across more geographic regions through Greenfield initiatives, partnerships, and alliances to reach more customer segments which in turn will contribute towards company's financial growth.

One of the areas of achieving growth could be mergers and acquisitions, opportunities in the area of City Gas Distribution. We acknowledged the importance of diversification and building a separate and robust revenue stream and it will be out task to make that happen. Digital initiative for providing differentiated service to our customers at competitive prices is an area which we considered to be very important in order to develop brand loyalty and customer stickiness. The board has proposed the final dividend of Rs. 15.50 per share for financial year 2021-22 as compared to Rs. 14 for financial year 2020-2021. A growing population is expected to increase demand for commercial and domestic natural gas. The government is promoting use of piped natural gas and it will further improve demand for natural gas. Taking advantage of an opportune business landscape, we aspire to penetrate deeper into existing markets while exploring avenues for improving our reach further. Taking into consideration a vast untapped market for natural gas and a favorable industry outlook, we remained optimistic about accomplishing our goals.



*Mahanagar Gas Limited
August 24, 2022*

Resting on our robust infrastructure, operational capacity and focused growth strategy, we remained poised to successfully fulfill future endeavors. Your company is guided by the strategic direction set by the board, but all of us will have to align our views and ideas for taking things to a meaningful conclusion.

Your company continues to focus on upliftment of communities within its operating areas, Mahanagar Gas Limited has continued to contribute and focus on health, education, environment and empowerment through its community outreach programs and projects establishing the attitude for care for the community for a sustainable and better tomorrow. With the vision of working for the benefit of society, Mahanagar Gas Limited's ongoing efforts have positively impacted and enhanced lives highlights its dedication towards community building. With the transition in energy portfolio, there are both opportunities and challenges in front of your company. Being one of the most experienced City Gas Distribution players in the Indian market and serving one of the most economically developed regions of the country, your company is well equipped to seize the opportunities that lie ahead of it.

On behalf of the Board of Directors, I would like to take this opportunity to extend my gratitude towards Ministry of Petroleum and Natural Gas, Government of India, Government of Maharashtra, Petroleum and Natural Gas Regulatory Board, GAIL India Limited, all departments of the central and state governments, Maharashtra State Road Development Corporation Limited, various municipal corporations, Mumbai Metropolitan Regional Development Authority, Maharashtra Industrial Development Corporation and Police and Fire Brigade Authorities for their kind and continuous support to your company. I would also like to thank all my fellow board members for their invaluable support and guidance.

To conclude, I would like to mention that the challenges faced in the last two years have reinforced how every stakeholder is critical to its continued success. Your company's employee's exemplary resilience, commitment and character in maintaining productivity have led your company to generate profits while creating value for its shareholders even during difficult times. Lastly, I am thankful to our members for their continued support and faith in us. With a strong focus on maximizing stakeholder value, we look forward to your support in our journey of growth and success. Thank you very much. I now request the Company Secretary to explain the sequence of the meeting and the process for the voting on the resolutions in the meeting. I hand over to the Company Secretary.

Atul Prabhu:

Thank you, sir. Pursuant to the provisions of section 108 of the Company's Act 2013, read with the rules made there under listing obligations and disclosure requirements regulation 2015, your company is pleased to provide the e-voting facility administered by Central Depository Services India Limited. The remote e-voting facility was provided by the company which commenced on Friday, August 19, 2022, at 9 AM and ended on Tuesday August 23, 2022 at 5 PM. Only those shareholders whose names are appearing in the register of members as on the cutoff date that is



*Mahanagar Gas Limited
August 24, 2022*

August 16, 2022 and have not voted on the resolutions during the remote e-voting period shall be eligible to vote during the Annual General Meeting. Mr. Upendra Shukla, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the votes cast by the members during the Annual General Meeting and through remote e-voting process in a fair and transparent manner. Since the Annual General Meeting is held through video conferencing and resolutions mentioned in the notice convening this Annual General Meeting have already been put to vote through remote e-voting, there will be no proposing and seconding of the resolutions. I now hand over to Chairman sir.

Sanjib Datta:

Dear shareholders, as this is Annual General Meeting for the shareholders and investors of the company and due to paucity of time, we request all of you to put forward your queries only from shareholders and investors point of view. If any shareholder has any query relating to customer relation services, please submit your query to our Customer Relations Management desk at support@mahanagargas.com and our Customer Relations Management Department will endeavor to resolve your query at the earliest and sent a suitable reply to you on the same. Members are requested to ask queries in a precise manner to enable the management to take queries of all the shareholders within the available time. Now, we shall be proceeding towards the question and answer session. Now, I would like to invite the shareholders who have registered themselves to speak at this annual general meeting. Over to you, operator.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Ladies and Gentleman we will wait for a moment while the question que assembles. I now request the first speaker shareholder, Mr. Keval Kumar. Please unmute your audio and video. Please go ahead sir.

Keval Kumar:

Good morning MD sir, board members and all present in the meeting, myself Keval Kumar from New Delhi. Our company has shown moderate performance in the year 21-22 and I wish it will improve during the current financial year also. I have a few questions for your consideration. As per balance sheet, page no. 146, trade receivables have increased from Rs. 127 crores in 20-21 to Rs. 184 crores, I would like to know the amount of that has taken off during the financial year 21-22 and what is the unrecoverable amount of receivables as on March 31st, 2022, and what is the normal credit period allowed by the company to its customers? My second question is our company has reduced selling price of PNG by Rs. 4 and CNG by Rs. 6 on 17th August 22, whereas international gas prices are galloping every day and company has to source 6% of its requirement at international rates, I want to know will this step not adversely affect profitability in current financial year? Our company is already operating on thin margins, what is the rationale behind reduction of selling price when international prices shall going up? My third question is, I understand that company has started EV charging facility at some of the CNG stations. I want to know how many CNG stations will be covered for EV charging during the current financial year? That is all. Thank you very much and I thank you the Company Secretarial Department for giving me this opportunity to speak in the meeting. Thank you.



*Mahanagar Gas Limited
August 24, 2022*

Moderator: Thank you very much. I now request speaker shareholder no. 2, Ms. Lekha Shah connected on audio. Please proceed with your question.

Lekha Shah: Respected Chairman sir, board of directors and my fellow members, good morning to all of you, myself Lekha Shah from Mumbai. First of all, I am very much thankful to our company secretarial team for extending very good investor services and also sending me the AGM notice well in time which is full of knowledge, facts and figures in place. Sir, I would like to ask few questions. My first question is, has there been any impact of COVID second wave on the company's operation? My second question is, how many woman employees are working in our office? My third question is, what is the roadmap for the next 2 years? Sir, there are lots of disturbance in the meeting, we cannot even talk properly. Sir I have request please tell your company secretary to send the link of the meeting just before the meeting and ask him to contact us. I just cannot thank enough to the Chorus Call team. They have called three to four times and they have given us direct line that is why I can talk right now. Chairman sir please ask your Company Secretary to contact me. So, I would like to say I strongly support all the resolutions for today's meeting and my best wishes always our company and its prosperity. Thank you, sir.

Moderator: Thank you very much. I now request speaker shareholder no. 3, Mr. Ashish Shankar Bansal. Please proceed.

Ashish Shankar Bansal: Respected Chairman and Board of Directors, thank you for giving us dividend, since I want to know when electronic cars will start running then what will be the procedure for the CNPC running cars and I want to change the name of the Mahanagar Gas bill and what is the formality we have to do? Thank you so much.

Moderator: Thank you very much. Speaker shareholder no. 4 Mr. Santosh Chopra did not join the AGM We will move onto the next speaker shareholder no. 5, Mr. Vinod Motilal Agarwal.

Vinod Motilal Agarwal: Sir, I would like to know with the gas prices going up substantially all over the world, what would be the impact on our company as even in the car segments, the reports are there that people used to buy CNG cars, they are not buying CNG cars now and skipping. The CNG cars has fallen down over the last 3 months because the hike in CNG prices does not make sense to put in a CNG engine running on a petrol recovery cost is not there and I would like to know what was the volume growth and the price growth was that Rs. 1,500 crores we did, but how much of it came through price hike and volume growth, I would like to know? I am signing off. I wish the company all the best. The dividend of Rs. 25 on Rs. 60 EPS was very good and I am signing off, Agarwal Vinod from Mumbai. Thank you.

Moderator: Thank you very much. I now request speaker shareholder no. 6 Ms. Prakashini G. Shenoy please proceed with your question your line is in talk mode. As there is no response from the current



*Mahanagar Gas Limited
August 24, 2022*

speaker shareholder we will move onto the next speaker shareholder no. 7 Mr. Yusuf Yunus Rangwala. Please proceed.

Yusuf Yunus Rangwala: Good morning sir, dynamic chairman and my fellow shareholders, this is Mahanagar Gas Company, sir aapko sapranam namaskar swikaar kariye sir. Apna company secretary jitna taarif karu utna kam hai. Sir apne paas hira hai company secretary apki team sir jise main full salute karta hun sir. Sir apni acchi ek team aur apna Chorus people ko jitna dhanyawad dun utna kam hai. Sir unki service lajawab hai sir, Chorus people ki. Aur apne especially Anthony sir, unki service aur unke hard working ke liye sir. Hum bahut lucky hai sir ki hamare paas itne acche. Sir apne balance sheet mein bataya share activity woh janke sir mujhe bahut Khushi hui. Apna do page mein apna award jita hai sir woh award ke liye mujhe bahut Khushi hui. Sir ho sake to Mahanagar apne kisi office mein Diwali ke baad ek chota analyst meet rakhiye sir. Hum apse milna chahte hai sir. Teen saal ho gaye sir apse mulaqat mahi hui. Sir chota sa sher pesh karna chahta hun. "Dil mein duri hai kya kare, par corona ne dil ki duri door kar di hai". Ho sake to aane wale sir last bonus apne kab diya tha sir yeh main janana chahta hun, last bonus. Aur apne toh dividend to excellent diya aur apna company secretary to jitna dhanyawad dun utna kam hai. Unhone mujhe physical copy bheja. Jo around 200 pages ka hai. Itni acchi balance sheet maine kabhie koi company ka nahi dekha. Apna main competition kaun hai, Indian Oil, HPCL, BPCL, yeh teen company same group ki usme aur apne mein kya competition hai main janana chahta hun. What competition are we facing yeh direct question hai. Sir main janana chahta hun total number of staff. Ho sake toh sir mujhe janana tha apna Covid-19 apko koi effect hua sir main janana chahta hun, sir Covid-19 aapko kya asar hua apne company ko. Sab resolutions mein mai full support karta hun. Mera humble request hai ki ho sake toh Diwali ke baad chota sa get together rakhiye apke office mein sir this is my humble request sir. Nothing more to add. Abhie sir Ganesh Chaturthi chal raha hai sir apko Ganesh ki bahut shubkamna. Sir agar apne Ganesh ka koi festival rakha hai toh mujhe bhie bulaye sir is festival mein sir. Thank you very much. Apna company secretary ko bahut dhanyawad deta hun aur apko or apke full board ko meri taraf se dhanyawad sir. Aaj sir mein video se baat karta hun sir aap mujhe dekh nahi sake hai per aap mera awaaz sun sakte. Sir main apko salute karta hun sir. Ho sake toh 15th August gaya apna Independence Day 75th year sir uska sweet bhejiye sir. This is the small request sir. 75th year mein kuch meetha ho jaye sir. This is my humble request sir. Nothing more to add. Jai Hind, Vande Matram, Bharat Mata Ki Jai.

Moderator: Thank you very much. I now request speaker shareholder no. 6 connected on audio, Ms. Prakashini G. Shenoy. Please proceed.

Prakashini G. Shenoy: I am Prakashini G. Shenoy from Bombay. Respected honorable Chairman, other dignitaries on the board and my fellow shareholders, good morning to all of you. I reviewed the annual report which is colorful, informative, transparent, knowledgeable and contains all the information as per the corporate governance. I thank the Company Secretary and her team for the same. I should not forget to thank them once again for reminding me of the meeting and giving me the link for



*Mahanagar Gas Limited
August 24, 2022*

the same. Thank you once again. At the outset, I am thankful to the Chairman for giving a clear picture about the company, its working, etc. I congratulate for the robust performance of the company. I am grateful to the board for recommended dividend for the financial year. Thank you sir. Sir, I have few questions. What is the roadmap for next 5 years and how many connections in respect of commercial and housing is pending, please let me know? And my last question is, how way is the company planning to progress digital future? I wish the company good luck for a bright future and pray God that the profit of the company shall reach the greater heights. Sir, I support all the resolutions put forth in today's meeting. Thank you sir.

Moderator: Thank you very much. Speaker shareholder no. 8 NVS Brokerage Private Limited did not join the AGM. Speaker shareholder no. 9 Ms. Hutokshi Sam Patel did not join the AGM. Speaker shareholder no. 10 Ms. Jyotsana Shantilal Kansara did not join the AGM. Over to you Chairman sir for further proceedings.

Sanjib Datta: Thank you. First of all, let me thank all the shareholders who have offered their suggestions, comments, observations and raised some questions to respond and also think about. So, now, we go back to the question queue and first question that we wish to take up is, let us start with Rajesh, our CFO, the receivables, the bad debts and unrecoverable debt as on 31/3/2022 if you can have a response and the credit period. These are two questions from Mr. Keval Kumarji.

Rajesh Patel: Sir, as far as increase in trade receivable is concerned, main reason is because of the average price which has gone up during the year compared to the last year, the price rise in case of domestic as well as in case of CNG was done mainly to pass through the increase in the gas cost, so with the higher prices, the debtors has remained same, however as far as and also some part is on account of the increase in the volume compared to the previous year. If you look at previous year, March 20, in the end of March, there was impact of COVID, so debtors was less, so coupled with volume increase in the current year and the price increase, both has impacted the overall increase in the trade receivable as of March 22.

Coming to bad debts, we have accounted roughly Rs. 85 lakhs as bad debts. This consists of customers who are disconnected and also there is a provision on account of the policy related bad debts which we provide, so wherever there is a collectable which is more than 3 years, we have provided and written off such debts during the year. Totally, it is around Rs. 85 lakhs.

The net impact on the P&L is around Rs. 73 lakhs because earlier years we had made some provision. Out of that, around Rs. 12 lakhs was recovered during the year, so net impact during the year on account of write-off of bad debt is around Rs. 73 lakhs.

There is no change in credit period as such compared to the earlier this, so it remains more or less same, however, there could be some amount of assessment sale which could be varying



*Mahanagar Gas Limited
August 24, 2022*

compared to the earlier year because the last quarter of the March 22 had some impact of COVID during January and February.

Sanjib Datta: And one question from Mrs. Lekha Shah on impact of second wave of COVID, would you like to explain in terms of physical and financial impact.

Rajesh Patel: Yes. If you look at during the year, there was an impact of COVID, especially in the first 2 months of the year, that is April 21 and May 21 and also the third wave of COVID during January 22 and part of February 22, so if you look at the average volumes clicked by the company is around 3 MMSCMD, has this impact our own 3.5 months would not have been there. The volumes could have been in the range of around 3.2 to 3.3 MMSCMD, so that is the impact on account of COVID and this is mainly in CNG customer. Because of the lockdown, the traffic was less, however, due to lockdown there is a marginal increase in case of domestic consumption as people are at home and there is cooking gas consumption which has increased compared to this.

Sanjib Datta: Now, would you also respond to Mr. Rangwala's comment on bonus and dividend?

Rajesh Patel: Sir, we are listed in the year 2016, so there is no bonus. As far as history of the company is concerned, we have not issued any bonus because you wanted to know whether past have we issued any bonus shares. As far as dividend is concerned, as MD sir had covered in his speech, we have declared overall dividend of Rs. 25 per share in the current year which is an increase of Rs. 2 compared to last year which was Rs. 23 per share and we continue to maintain the similar increase in the dividend with the growth of the company and the profitability of the company in the future years to come.

Sanjib Datta: Thank you Mr. Patel. So, now, we take up the questions, there are quite a few questions related to EV and how it is going to likely to impact our CNG business. Mr. Keval Kumarji had touched upon EV charging, how many stations we have at the facility of EV charging, so currently we have only one station because our own stations face lot of queue from CNG vehicles. In-situ charging of EV vehicle in our station actually consume the space which can be better utilized by putting a dispenser and using that space for dispensing CNG, so we are very selective about putting up EV charging facility in our stations, but very carefully we assessed the situation and then we will go for it. So, currently, we have only one station and there are no immediate plans to put more facility at our other stations. Now, coming to the impact of EV on our CNG business, I would request Deputy Managing Director, Mr. Sanjay to respond.

Sanjay Shende: More CNG variants are being rolled out by OEMs, that is Original Equipment Manufacturers and customers are now having withdrawn more options in CNG both in commercial and passenger segment which was earlier a limiting factor. The current high natural gas price is an aberration which would subside with the stability in the global geopolitical environment and



*Mahanagar Gas Limited
August 24, 2022*

make room for faster conversion. Conversion in EV as of now is mostly seen in two wheelers and to certain extent four wheelers, but the industry has to address many challenges in its growth journey especially for the charging points and the other infrastructure. The total cost of ownership difference with EV is more in the case of diesel and petrol than CNG and thus the impact would be much more on diesel and petrol before it percolates or it starts sitting the CNG segment, however, the light commercial vehicle, the medium commercial vehicle and the heavy commercial vehicle segment whose fuel requirements are much higher compared to the other vehicles sees more benefit of CNG and also LNG, both for the short-haul as well as for the long-haul and significant conversions are already happening in this space. EV would take time to come up with the solutions in this segment, however, on the other hand, the hydrogen requires almost similar ecosystem as that of CNG and catch up fast and post was the real challenge to EVs. It seems that in the mid to long term horizon of 5 to 10 years, there would be co-existence of all types of fuels with enough room for CNG to not only maintain but grow further.

Rajesh Patel:

There was one more question with respect to increase in the revenue or the topline, what is the breakup of topline increase into volume growth and price increase. Overall, roughly Rs. 1,400 crores is the increase in the revenue or topline which is made up of around Rs. 700 crores on account of volume and almost similar amount on account of rate increase or price increase. One more question, I think asked by Mr. Vinod Agarwal with respect to reduction in price and competitiveness with respect to HPCL and IOCL. If you look at Mahanagar Gas' business there is no direct competition, however, with respect to petrol and diesel, they are indirectly competing with CNG. If you look at current prices also, we have almost energy equivalent difference of pricing in the range of 20 to 30% depending on the type of car the person uses, CNG and petrol and also there is energy equivalent difference between the price of CNG and diesel anywhere in the range of 10 to 12%, so this steel gives the competitiveness with respect to other liquid fuels as far as CNG is concerned.

There was one more question with respect to reason for price reduction which we have recently in this month. This was mainly done. There was a change in the APM allocation policy. Earlier, the government had announced on 6th of May, allocation of APM gas at uniform basic price. Recently, in this month, the decision of uniform basic price was reversed and allocation of CGD as such has been increased for this quarter almost up to 94% as far as APM allocation is concerned and the APM price applicable for this quarter is \$6.26 per MMBTU and balance whatever is the requirement as far as priority sectors at the CNG and domestic PNG is concerned, each CGD has its freedom to add market determined gas prices. So, considering the reduction from 10.52 which was a prevailing price before 6.26 was made applicable and the amount of market determined gas which the company will be mixing up for catering to this sector, the overall impact of the gas cost has reduced at least for this quarter, so accordingly we have done the pass on of this reduction in the weighted average gas cost. So, that keeps the momentum of vehicles getting converted down to CNG and it helps us in the long run. However, the decision will be reviewed as and when there is an increase or change in the gas cost going forward, may



*Mahanagar Gas Limited
August 24, 2022*

be in the coming months and the coming quarters. So, we will try and balance the pricing as far as CNG is concerned, so that the momentum of CNG vehicle coming on to fleet increases and there is a tradeoff between price as well as good value proposition remains with the consumers who are using CNG as well as PNG.

Sanjib Datta:

Thank you Rajesh for this detailed elaborate explanation. Now, there was a question with regard to total number of employees, Mr. Rangwala had asked and Mrs. Lekha Shah, you had asked about the number of women employees, so as on 31st of March 2022, it was 491 and as on date it is 494 is the total employee strength of the company and out of that 48 employees are women employees. So, close to 10% of our employees are women employees.

Before I come to the roadmap, 2-3 questions were there on roadmap and digital future. Before that Mr. Ashish Bansal had asked about the procedure for change of name. So, there is laid down procedure about changing of name and what we will do, our customer service, yes, we will ask them to get in touch with you and guide you to the process, there will be some documentation needs to be collected and that process is not tedious, it is seamless, but we have some formalities to complete, so we will advise our CRM desk to get in touch with you and steer you through this process, so that your name change will be done expeditiously.

Now, coming to roadmap, the company, as you are aware that there are some opportunities and challenges which are visible in our business environment. The challenges are primarily coming from EV and may be in the 7 to 10 year horizon the challenge may be emerging from hydrogen, so currently the plan is to quickly rollout infrastructure. There is a good window of opportunity that is with us because we have seen almost half a million increase in volume in the current financial year. In the calendar year from the beginning of the year to now, there is a huge spurt in volume that we are witnessing. We want to capture that, we want to ride that growth. Lot of commercial vehicles which were so far not switching over to CNG have started showing interest primarily because lot of OEMs have started coming out with factory-fitted CNG kits in the commercial segment category and we are gearing up to cater to this segment which we should call for remodeling of our CNG outlets. So, PNG in any case we did 2.62 lakhs. This year, the target is 3 lakh connectivity we wish to rule out, if not more. We are targeting 25 plus new CNG stations, but what we have set our site on is, we are embarking on a 5-year roadmap which talks about doubling of our volume, tripling of our margin and not only that, it is very important for us to diversify because our traditional core areas are likely to come under some threat from competitive fuels. So, we want that in 5 years time we should, one fourth of our revenue should come from diversified portfolio, may be in related areas, may be in new areas and we want to embark in a big way on digital transformation because what we find that the customer segment, all our customer segments are becoming very discerning and they are demanding certain services which were no traditionally being offered by the CGD companies and many of these services which are on demand are related to conveniences which are offered through digital interventions be it, queuing time in the CNG station which people want to see in an app, what would be, when



*Mahanagar Gas Limited
August 24, 2022*

a CNG user wants to get it tank filled, he wants to know if it approaches station A or station B or station C in its vicinity over the queuing time and similarly there are different types of requirements of PNG consumer and digital is going to play a big role in ensuring customer loyalty because we are also looking at loyalty programs which we want to launch so that the stickiness of our customers enhances with MGL because sooner or later the marketing exclusivity for MGL may end, but we want to very strongly entrench ourselves in a position of strength, so that we retain the customer and accordingly we retain our business. So, there is a roadmap, the three pillars of which are going to be doubling the volume growth in 5 years' time, 3 times the margin and one fourth of the revenue should come from diversification opportunities which we wish to pursue during this period. So, this is broadly the roadmap for the company over the next 5 years and with this, I think any other questions that we have left?

Sanjay Shende:

Just one question regarding CNG cars. Mr. Vinod Agarwal had asked about the impact of higher price on the CNG car sales introduction and what is the likely future for that. Sir, you have correctly said that in the latest report of society for Indian Automobile Manufacturer, they have claimed that against 30,000 cars being introduced every month, the sale has come down to 25,000 cars which is correct. The point is, in the last couple of months, the price of CNG was going up because of the international geopolitical reasons as was explained by Chairman sir. Now, we expect that the delta is obviously maintained. Presently, with respect to petrol there is 15% delta, we are better, CNG is more cost effective by almost 15% compared to petrol, however, the two things which will happen, one is the impact of the higher gas prices are likely to soften once the geopolitical situation normalizes. Second is the present petrol price and diesel prices are also artificially lowered and as you must have seen that the oil company's profitability has taken a major hit, so this is not something which we can go on for a longer time, so we hope that the attractiveness of CNG cars should increase and whatever little amount of loss of sale which OEMs have experienced, they should be able to catch it up.

Sanjib Datta:

So, I think with this, we have come to the end of this question-and-answer session. In case, any of the registered speakers could not join, I think NVS Brokerage could not join and Mrs. Hutokshi Sam Patel and Mrs. Jyotsna Shantilal Kansara, so in case any of the registered speakers could not join or speak due to technical reasons or queries raised during this meeting have remain unanswered, the queries may be sent to the company through email, the same shall be responded suitably. Now, I request Mr. Atul Prabhu - Company Secretary and Compliance Officer to conduct the voting procedure and conclude the meeting. The e-voting facility will remain open for next 30 minutes to enable to members to cast the votes electronically.

I once again take the opportunity to thank all shareholders of the company for attending the Annual General Meeting and for your continued support to the company. I also extend my thanks to the Board of Directors of the company for joining the video meeting through video conferencing today. I also express my thanks to the officers and employees and all other stakeholders of the company for reposing your trust in the company. The voting results along



*Mahanagar Gas Limited
August 24, 2022*

with the scrutinizer's report shall be submitted to the stock exchanges within 2 working days of the conclusion of the Annual General Meeting for dissemination. With your consent, myself, and all other board members would like to leave the meeting and I announce formal closure of the 27th Annual General Meeting of the company and declare the meeting has been concluded. I request all the shareholders to stay safe and healthy at this time. Thank you very much.