



# MAHANAGAR GAS LIMITED

GAIL, Govt. of Maharashtra & BGAPH Enterprise

Ref: MGL/CS/SE/2019/297

Date: November 11, 2019

To,

<b>Head, Listing Compliance Department</b> <b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai - 400 001 <b>Scrip Code/Symbol: 539957; MGL</b>	<b>Head, Listing Compliance Department</b> <b>National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 <b>Script Symbol: MGL</b>
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**Sub: Submission of Unaudited Financial Results along with the Limited Review Report for the quarter and half year ended September 30, 2019.**

Dear Sir/Madam,

In continuation to our letter dated October 04, 2019, we wish to inform you that, the Board of Directors of the Company at its meeting held today i.e. November 13, 2019, inter alia approved the Unaudited Financial Results for the quarter and half year ended September 30, 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement showing the Unaudited Financial Results for the **quarter and half year ended September 30, 2019 along with Limited Review Report thereon**. Performance indicators being shared with the analyst/ Institutional Investors for the said period are also enclosed.

The Board Meeting commenced at 1400 hrs and concluded at 1730 hrs.

Please take the same on records.

Thanking you,

For Mahanagar Gas Limited

  
**Anand Upadhyay**  
Company Secretary and Compliance Officer



Encl.: As above



**MAHANAGAR GAS LIMITED**

CIN : L40200MH1995PLC088133

Regd Office : MGL House, G-33 Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

**Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2019**

(₹ in Crore)

Sr. No.	Particulars	For three months ended			For six months ended		For the year ended 31.03.2019
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
I	Revenue from Operations	861.55	831.19	762.94	1,692.74	1,439.21	3,056.79
II	Other Income	22.98	20.34	18.16	43.32	33.50	77.71
III	<b>Total Income (I + II)</b>	<b>884.53</b>	<b>851.53</b>	<b>781.10</b>	<b>1,736.06</b>	<b>1,472.71</b>	<b>3,134.50</b>
IV	Expenses :						
	Cost of Natural Gas and Traded Items	378.51	348.24	356.21	726.75	649.23	1,399.26
	Changes in Inventories	(0.04)	(0.01)	0.02	(0.04)	(0.08)	(0.10)
	Excise Duty	77.97	73.70	66.43	151.66	123.36	265.72
	Employee Benefits Expense	19.12	24.41	18.01	43.53	34.89	70.88
	Finance Costs	1.45	1.37	0.12	2.82	0.18	0.32
	Depreciation and Amortisation Expenses	39.10	37.19	30.79	76.29	60.30	125.93
	Other Expenses	112.58	108.02	100.80	220.60	199.40	435.58
	<b>Total Expenses</b>	<b>628.69</b>	<b>592.92</b>	<b>572.38</b>	<b>1,221.61</b>	<b>1,067.28</b>	<b>2,297.59</b>
V	<b>Profit Before Tax for the period(III- IV)</b>	<b>255.84</b>	<b>258.61</b>	<b>208.72</b>	<b>514.45</b>	<b>405.43</b>	<b>836.91</b>
VI	Income Tax Expense : (refer note 6)						
	(i) Current Tax	41.58	80.81	68.11	122.39	129.29	261.40
	(ii) Deferred Tax	(56.36)	7.56	4.32	(48.80)	11.52	29.12
	<b>Total Income Tax Expense (i+ii)</b>	<b>(14.78)</b>	<b>88.37</b>	<b>72.43</b>	<b>73.59</b>	<b>140.81</b>	<b>290.52</b>
VII	<b>Profit After Tax for the period(V - VI)</b>	<b>270.62</b>	<b>170.24</b>	<b>136.29</b>	<b>440.86</b>	<b>264.62</b>	<b>546.39</b>
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	(2.96)	0.48	1.49	(2.48)	1.89	1.93
	Income tax relating to items that will not be reclassified to profit or loss	1.41	(0.17)	(0.52)	1.24	(0.66)	(0.68)
	<b>Total Other Comprehensive Income</b>	<b>(1.55)</b>	<b>0.31</b>	<b>0.97</b>	<b>(1.24)</b>	<b>1.23</b>	<b>1.25</b>
IX	<b>Total Comprehensive Income for the period (VII + VIII)</b>	<b>269.07</b>	<b>170.55</b>	<b>137.26</b>	<b>439.62</b>	<b>265.85</b>	<b>547.64</b>
X	Paid up Equity Share Capital (Equity Shares of ₹10 each fully paid up) Other Equity Excluding Revaluation Reserve	98.78	98.78	98.78	98.78	98.78	98.78 2,300.09
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each)						
	Basic (₹)*	27.40	17.23	13.80	44.63	26.79	55.31
	Diluted (₹)*	27.40	17.23	13.80	44.63	26.79	55.31
	* Not annualised for the interim periods						

There were no exceptional item(s) and discontinued operation(s) during the periods presented.



**MAHANAGAR GAS LIMITED**

CIN : L40200MH1995PLC088133

Regd Office : MGL House, G-33 Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

**Statement of Assets and Liabilities as at September 30, 2019**

(₹ in Crore)

Particulars	As at 30th September, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
<b>ASSETS</b>		
<b>I. Non-current Assets</b>		
(a) Property, Plant and Equipment	1,821.63	1,758.75
(b) Capital Work-in-Progress	392.29	369.69
(c) Intangible Assets	5.35	4.66
(d) Right to Use Assets	126.36	-
(e) Financial Assets		
(i) Trade receivables	0.04	0.06
(ii) Security Deposits	18.86	19.21
(iii) Other Financial Assets	0.21	0.36
(f) Income Tax Assets (net)	35.73	33.61
(g) Other Non-current Assets	14.73	78.81
<b>Total Non-current Assets (I)</b>	<b>2,415.20</b>	<b>2,265.15</b>
<b>II. Current assets</b>		
(a) Inventories	18.32	19.12
(b) Financial Assets		
(i) Investments	975.92	654.02
(ii) Trade Receivables	95.91	99.53
(iii) Cash and Cash Equivalents	55.13	26.53
(iv) Bank balances other than (iii) above	227.92	272.31
(v) Security Deposits	8.42	8.60
(vi) Other Financial Assets	59.05	77.49
(c) Other current assets	15.37	18.27
<b>Total Current assets (II)</b>	<b>1,456.04</b>	<b>1,175.87</b>
<b>Total Assets (I+II)</b>	<b>3,871.24</b>	<b>3,441.02</b>
<b>EQUITY AND LIABILITIES</b>		
<b>I. Equity</b>		
(a) Equity Share Capital	98.78	98.78
(b) Other Equity	2,614.68	2,300.09
<b>Total Equity (I)</b>	<b>2,713.46</b>	<b>2,398.87</b>
<b>II. Liabilities</b>		
<b>A. Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Lease Liabilities	50.21	-
(ii) Other Financial Liabilities	2.44	1.81
(b) Provisions	17.51	14.31
(c) Deferred Tax Liabilities (net)	154.96	204.84
<b>Total Non-current Liabilities (A)</b>	<b>225.12</b>	<b>220.96</b>
<b>B. Current Liabilities</b>		
(a) Current Financial Liabilities		
(i) Trade Payables		
- outstanding dues of micro and small enterprises	1.94	6.47
- outstanding dues other than micro and small enterprises	163.95	145.97
(ii) Security Deposits	548.26	517.92
(iii) Lease Liabilities	15.60	-
(iv) Other Financial Liabilities	116.27	99.45
(b) Provisions	6.70	6.88
(c) Income Tax Liabilities (net)	3.37	0.81
(d) Other Current Liabilities	76.57	43.69
<b>Total Current Liabilities (B)</b>	<b>932.66</b>	<b>821.19</b>
<b>Total Liabilities (II = A+B)</b>	<b>1,157.78</b>	<b>1,042.15</b>
<b>Total - Equity and Liabilities (I+II)</b>	<b>3,871.24</b>	<b>3,441.02</b>

SIGNED FOR IDENTIFICATION

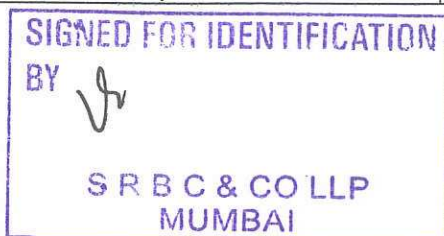
BY

 SRBC & CO LLP  
MUMBAI


## Mahanagar Gas Limited

### Statement of Cash Flows for the half year ended September 30, 2019

PARTICULARS	For the year ended 30th September 2019	For the year ended 30th September 2018
	₹ Crore	₹ Crore
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per Statement of Profit and Loss	514.45	405.43
Adjustments for:		
Depreciation and Amortisation Expense	76.29	60.30
Writeoff and Loss on Disposal of Property, Plant and Equipment	0.57	1.33
Net unrealised foreign exchange (gain)/ loss	0.02	(0.76)
Gain on sale of Investments	(14.19)	(0.80)
Unrealised Gain on Investments	6.72	(4.57)
Allowance for Doubtful Trade Receivables (Net)	0.01	(0.03)
Expected credit loss allowance for Security Deposits (Net)	0.43	0.41
Bad Trade Receivables written off	(0.04)	0.40
Sundry Deposits written Off	0.19	-
Finance Costs	2.82	0.18
Dividend Income on Investments	(12.44)	(10.62)
Interest Income	(15.95)	(11.21)
<b>Operating Profit Before Working Capital Changes</b>	<b>558.88</b>	<b>440.06</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	0.80	0.11
(Increase)/Decrease in Trade Receivables	3.67	(22.99)
(Increase)/Decrease in Security Deposits	0.15	2.42
(Increase)/Decrease in Other Financial Assets	18.31	(6.80)
(Increase)/Decrease in Other Non Current Assets	1.63	1.62
(Increase)/Decrease in Other Current Assets	2.90	(1.42)
Increase/(Decrease) in Other Financial Liabilities	21.80	(51.38)
Increase/(Decrease) in Provisions	0.53	1.26
Increase/(Decrease) in Trade Payables	13.42	38.60
Increase/(Decrease) in Security Deposits (Liability)	30.45	36.83
Increase/(Decrease) in Other Current Liabilities	32.88	26.53
	<b>126.54</b>	<b>24.78</b>
<b>Cash Generated from Operations</b>	<b>685.42</b>	<b>464.84</b>
Income Taxes Paid	(121.77)	(108.29)
<b>Net Cash from Operating Activities</b>	<b>563.65</b>	<b>356.55</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant and Equipment	(168.11)	(149.81)
Proceeds from sale of Property, Plant and Equipment	0.00	0.01
Payments for purchase of Investments	(2,208.17)	(2,197.42)
Proceeds from sale of Investments	1,894.49	2,277.49
Movements in Bank Deposits not considered as Cash and Cash Equivalents	40.55	(150.27)
Interest Received	19.09	8.58
Dividend Received on Investments	12.44	10.62
<b>Net Cash (used in) Investing Activities</b>	<b>(409.71)</b>	<b>(200.78)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Lease Liability	(6.79)	-
Dividend Paid (Includes Dividend Distribution Tax)	(115.62)	(130.83)
Interest Paid	(2.93)	(0.19)
<b>Net Cash used in Financing Activities</b>	<b>(125.34)</b>	<b>(131.02)</b>
<b>Net Increase in Cash and Cash Equivalents (I+II+III)</b>	<b>28.60</b>	<b>24.75</b>
Cash and Cash Equivalents at the beginning of the period	26.53	15.02
<b>Cash and Cash Equivalents at the end of the period</b>	<b>55.13</b>	<b>39.77</b>



**Notes:**

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on November 11, 2019.
- 2 The limited review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the Company.
- 3 The Company is in the business of selling and distribution of natural gas. There are no separate reportable segments, other than selling of natural gas, as per IND AS 108 - Operating Segments.
- 4 The Company has adopted modified retrospective approach as per para C5 (b) and recognition of lease liability as per para C8 (a) and right to use asset as per para C8 (b) (ii) of "IND AS 116 - Leases" to its leases effective from annual reporting period beginning 1st April 2019. Restatement of comparative information is not required as para C7 of Ind AS 116.

This has resulted in recognition of lease liability and right to use asset of ₹59.91 crore and further addition to right to use asset on account of leasehold land of ₹62.37 crore, reclassified now, as at 1st April, 2019. Operating lease expenses have changed to depreciation cost on the right to use assets and finance cost for interest accrued on lease liability.

Reconciliation for the above effect on statement of profit and loss for the current period ending 30th September, 2019 as follows:

Adjustment to increase / (decrease) in net profit	Quarter ended 30th September, 2019 comparable basis	Changes due to IndAS 116 Increase/ (decrease)	Quarter ended 30th September, 2019 as reported	Six months ended 30th September, 2019 comparable basis	Changes due to IndAS 116 Increase/ (decrease)	Six months ended 30th September, 2019 as reported
Other Expenses	117.85	(5.27)	112.58	230.56	(9.96)	220.60
Finance Costs	0.05	1.40	1.45	0.10	2.72	2.82
Depreciation and Amortisation Expenses	34.58	4.52	39.10	67.69	8.60	76.29
Profit Before Tax	256.50	(0.66)	255.84	515.81	(1.36)	514.45

- 5 As per authorisation terms and conditions of the PNGRB for Raigad Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 (with reference to domestic PNG connections and pipeline inch Kilo Meters) and the Company had submitted Performance Bank Guarantee of ₹105.20 Crore dated March 19, 2015 to the PNGRB. Show cause notice dated July 23, 2018 was given by the PNGRB for shortfall in periodic MWP, asking MGL to explain why penalty should not be levied for the interim MWP target shortfall. The Company submitted catch up plan vide letter dated August 2, 2018 for meeting MWP target by March 2020 and reiterated host of factors beyond control of MGL causing a shortfall. The Company has achieved domestic PNG connection targets as per catch up plan up to 31st March 2019 and the progress on pipeline inch Kilo Meters is being expedited. The Company has received critical permissions from various authorities for laying pipelines. The management expects to meet domestic PNG connection targets and make substantial progress on pipeline inch Kilo Meters by March 31, 2020. The status of the progress has been submitted to PNGRB on a regular basis. Pursuant to the recent discussions, PNGRB has advised Company to provide revised catch-up plan for the next 2 years approved by the Board. Company is in the process of submitting the same to PNGRB. Considering the discussions with PNGRB and on-going progress, Company is of the view that no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB at this stage.
- 6 The Company elected to exercise the non-revisable option permitted under section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Current Income Tax at lower tax rate of 25.17% for six months ended September 30, 2019 based on the estimated annual effective tax rate. Further the Company has re-measured its deferred tax Liability (net) as of March 31, 2019, and resultant reduction of ₹56.69 crore has been recorded in the statement of profit or loss for the quarter ended 30th September, 2019.
- 7 The figures for the previous year / periods are re-arranged / re-grouped, wherever considered necessary.

For and on behalf of the Board of Directors of Mahanagar Gas Limited

*Sanjib Datta*  
Sanjib Datta  
Managing Director

Place : New Delhi  
Date : November 11, 2019



**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Mahanagar Gas Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Mahanagar Gas Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003



per Vikram Mehta  
Partner

Membership No.: 105938

UDIN: 191059384AAA DK9780

New Delhi, November 11, 2019



MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 V/S SEPTEMBER 30, 2018

Particulars	UOM	For the Six months ended 30th September 2019	For the Six months ended 30th September 2018	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	399.51	393.55	1.52%
PNG - Domestic	SCM Million	71.45	66.80	6.96%
PNG – Industry / Commercial	SCM Million	75.06	73.37	2.31%
PNG - TOTAL	SCM Million	146.51	140.17	4.52%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>546.02</b>	<b>533.72</b>	<b>2.30%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>2.984</b>	<b>2.916</b>	<b>2.30%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	1,065.20	882.84	20.66%
PNG	Rs. Crores	461.59	421.42	9.53%
Traded Items	Rs. Crores	3.59	2.42	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>1,530.38</b>	<b>1,306.67</b>	<b>17.12%</b>
Other Operating Income	Rs. Crores	10.70	9.18	16.61%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>1,541.08</b>	<b>1,315.85</b>	<b>17.12%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	1,692.74	1,439.21	17.62%
Less: Excise Duty	Rs. Crores	151.66	123.36	22.94%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>1,541.08</b>	<b>1,315.85</b>	<b>17.12%</b>
EBIDTA	Rs. Crores	550.24	432.41	27.25%
% of EBIDTA to Net Revenue from Operation	%	35.71%	32.86%	
NET PROFIT (after tax)	Rs. Crores	440.86	264.62	66.60%
% of PAT to Net Revenue from Operation	%	28.61%	20.11%	
EARNINGS PER SHARE	Rs.	44.63	26.79	66.60%

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MAHANAGAR GAS LIMITED

PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER

Particulars	UOM	For the Three months ended 30th September 2019	For the quarter ended 30th June 2019	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	202.56	196.95	2.85%
PNG - Domestic	SCM Million	35.02	36.43	-3.85%
PNG – Industry / Commercial	SCM Million	38.38	36.68	4.63%
PNG - TOTAL	SCM Million	73.40	73.11	0.40%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>275.96</b>	<b>270.06</b>	<b>2.19%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>3.000</b>	<b>2.968</b>	<b>1.07%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	547.69	517.50	5.83%
PNG	Rs. Crores	228.89	232.70	-1.64%
Traded Items	Rs. Crores	1.61	1.98	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>778.19</b>	<b>752.18</b>	<b>3.46%</b>
Other Operating Income	Rs. Crores	5.39	5.31	1.51%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>783.58</b>	<b>757.49</b>	<b>3.44%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	861.55	831.19	3.65%
Less: Excise Duty	Rs. Crores	77.97	73.70	5.80%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>783.58</b>	<b>757.49</b>	<b>3.44%</b>
EBIDTA	Rs. Crores	273.41	276.83	-1.23%
% of EBIDTA to Net Revenue from Operation	%	34.89%	36.55%	
NET PROFIT (after tax)	Rs. Crores	270.62	170.24	58.96%
% of PAT to Net Revenue from Operation	%	34.54%	22.47%	
EARNINGS PER SHARE	Rs.	27.40	17.23	58.96%

*Redu*