



MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/2021/400

Date: July 28, 2021

To,

| | |
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| Head, Listing Compliance Department BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001 Script Code/Symbol: <u>539957; MGL</u> | Head, Listing Compliance Department National Stock Exchange of India Ltd Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: <u>MGL</u> |
|---|--|

Sub: Outcome of Board Meeting

Dear Sir/Madam,

In continuation to our letter dated July 15, 2021 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. Wednesday, July 28, 2021 has *inter alia* approved the following:

1. Unaudited Financial Results for the quarter ended June 30, 2021 along with the Limited Review Report thereon as reviewed by the Audit Committee pursuant to Regulation 33 of the Listing Regulations. The Performance Indicators being shared with the analyst/ Institutional Investors for the said period are also enclosed.
2. Alteration of Articles of Association of the Company (i) for deletion of clauses pertaining to BG Asia Pacific Holdings Pte. Limited consequent upon its divestment and (ii) to enable the right of second or casting vote to the Chairman of the Meeting of Board of Directors and General Meetings.
3. Re-appointment of Mr. Syed S. Hussain (DIN: 00209117) for a second term as an Independent Director of the Company subject to the approval of shareholders at the forthcoming General Meeting of the Company.

Mr. Syed S. Hussain (DIN: 00209117) is not related to any director on the Board of Company. He is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India (SEBI) order or any other such authority.

The brief profile of Mr. Syed S. Hussain is attached herewith as **Annexure I**.





**MAHANAGAR
GAS**

MAHANAGAR GAS LIMITED

4. the 26th Annual General Meeting of the Company is scheduled to be held on Tuesday, 28th September, 2021 at 11:00 A.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The communication on the book closure, record date and other details is being submitted separately.

The Board Meeting commenced at 1400 hours and concluded at 1740 hours.

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

Thanking you,

Yours faithfully,

For **Mahanagar Gas Limited**

Atul Prabhu
28/09/21

Atul Prabhu

Company Secretary & Compliance Officer



R.

Encl.: a/a



Regd. Office: MGL House, Block G-33, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051
T + 91 22 6678 5000 | E info@mahanagargas.com | W www.mahanagargas.com | CIN L40200MH1995PLC088133

An ISO 9001, 14001 & OHSAS 18001 Certified Company

Annexure I

Brief Profile of Mr. Syed S. Hussain

| | |
|--------------------------------|--|
| Name | Mr. Syed S. Hussain |
| Director Identification Number | 00209117 |
| Date of Birth | May 01, 1950 |
| Age | 71 years |
| Qualification(s) | IAS (Retd.), B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. M.Sc. in Admin Sciences & Development Problems from York University, UK |
| Date of Re-appointment | September 09, 2022 (Re-appointment) |
| Brief Profile | <p>Mr. Syed S. Hussain graduated in B.A. (Hons.) in English with Distinction in Persian and M.A. in English from University of Patna. He has also completed his M.Sc. in Admin Sciences & Development Problems from York University, UK. He belongs to 1973 batch of Indian Revenue Service (IRS) and 1976 batch of Indian Administrative Service (IAS), Maharashtra cadre. Mr. Syed S. Hussain retired as Vice-Chairman and Managing Director of City & Industrial Development Corp. of Maharashtra Ltd. (CIDCO). He has worked as Chairman of JNPT and Joint Managing Director of CIDCO.</p> <p>Prior to taking over the charge of Additional Chief Secretary, Government of Maharashtra, he has held the posts of Principal Secretary of Public Health, Revenue, Forest and Rural Development departments. He was also the CEO of Zilla Parishad, Nagpur and District Collector & Magistrate, Latur and Nasik, Maharashtra.</p> <p>Mr. Syed S. Hussain was awarded with "Business Leader of the year - Ports" award at Leadership & Excellence Awards Shipping, Marine & Ports 2010 and also bestowed with "Maritime Gateway - Major Port of the year" Award consecutively for two years during his tenure as Chairman of JNPT.</p> |

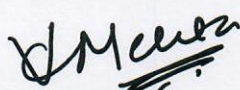


**Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015, as amended**

**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 June 30, 2021 (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").
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.
5. **Emphasis of Matter**
We draw attention to Note 6 to the Financial results which describes the claims received by the Company from Oil Marketing Companies (OMCs) on account of revision of trade margins which has been disputed by the Company. Pending finalisation of the negotiation of disputed amount, the Company is unable to determine the amount of additional liability if any and a definitive assessment of probable outflow of economic resources is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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


per Vikram Mehta
Partner
Membership No: 105938
UDIN: 21105938AAAAFA9921
Place: Mumbai
Date: July 28, 2021



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 ended June 30, 2021

(₹ in Crore)

| Sr. No. | Particulars | For three months ended | | | For the year ended |
|---------|--|------------------------|-----------------------------|---------------|--------------------|
| | | 30.06.2021 | 31.03.2021 | 30.06.2020 | 31.03.2021 |
| | | (Unaudited) | (Audited) (refer note 8) | (Unaudited) | (Audited) |
| I | Revenue from Operations | 666.85 | 784.04 | 277.47 | 2,337.79 |
| II | Other Income | 18.62 | 17.17 | 24.52 | 80.51 |
| III | Total Income (I + II) | 685.47 | 801.21 | 301.99 | 2,418.30 |
| IV | Expenses : | | | | |
| | Cost of Natural Gas and Traded Items | 191.04 | 256.96 | 98.72 | 747.21 |
| | Changes in Inventories | (0.02) | 0.04 | 0.11 | 0.10 |
| | Excise Duty | 51.36 | 66.38 | 15.72 | 185.26 |
| | Employee Benefits Expense | 20.03 | 18.17 | 24.64 | 87.53 |
| | Finance Costs | 1.70 | 1.92 | 1.53 | 7.19 |
| | Depreciation and Amortisation Expenses | 45.27 | 44.84 | 42.26 | 173.67 |
| | Other Expenses | 100.45 | 126.33 | 58.29 | 383.74 |
| | Total Expenses | 409.83 | 514.64 | 241.27 | 1,584.70 |
| V | Profit Before Tax for the period(III- IV) | 275.64 | 286.57 | 60.72 | 833.60 |
| VI | Income Tax Expense : | | | | |
| | (i) Current Tax | 67.22 | 64.94 | 14.53 | 197.75 |
| | (ii) Deferred Tax | 4.34 | 8.86 | 0.94 | 16.28 |
| | Total Income Tax Expense (i+ii) | 71.56 | 73.80 | 15.47 | 214.03 |
| VII | Profit After Tax for the period(V - VI) | 204.08 | 212.77 | 45.25 | 619.57 |
| VIII | Other Comprehensive Income | | | | |
| | Items that will not be reclassified to profit or loss : | | | | |
| | Gains/(Losses) on Remeasurements of the Defined Benefit Plans | 0.30 | 2.93 | (0.72) | 1.21 |
| | Income tax relating to items that will not be reclassified to profit or loss | (0.08) | (0.74) | 0.18 | (0.31) |
| | Total Other Comprehensive Income | 0.22 | 2.19 | (0.54) | 0.90 |
| IX | Total Comprehensive Income for the period (VII + VIII) | 204.30 | 214.96 | 44.71 | 620.47 |
| X | Paid up Equity Share Capital | 98.78 | 98.78 | 98.78 | 98.78 |
| | (Equity Shares of ₹10 each fully paid up) | | | | |
| | Other Equity Excluding Revaluation Reserve | | | | 3,133.59 |
| XI | Earnings per equity share (EPS) (Face value of ₹ 10/- each) | | | | |
| | Basic (₹)* | 20.66 | 21.54 | 4.58 | 62.72 |
| | Diluted (₹)* | 20.66 | 21.54 | 4.58 | 62.72 |
| | * Not annualised for the interim periods | | | | |

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



Notes:

1. The above financial results are submitted by the company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on July 28, 2021.
2. Financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016.
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. As per authorisation terms and conditions of the PNGRB for Raigad Geographical Area, the Company is required to meet Minimum Work Programme (MWP) targets by March 2020 (with reference to connections and pipeline inch Kilo Meters) and the Company had submitted Performance Bank Guarantee of ₹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 the Company to explain why penalty should not be levied for the interim MWP target shortfall. The Company submitted catch up plan vide letter dated August 2, 2018 for meeting MWP target by March 2020 and reiterated host of factors beyond control of the Company causing a shortfall. Further, PNGRB called a Joint Progress Review Meeting on August 27, 2019 and post review revised catch up plan was submitted to PNGRB on November 15, 2019. As of 31st March 2020, the Company has achieved cumulative number of Domestic connections as per PNGRB MWP target. Post outbreak of COVID-19 the company had requested PNGRB in April 2020 to extend the timeline for achieving the MWP of Inch-Kms by six months up to March 31, 2022. The PNGRB, sought information on COVID-19 lockdown in July 2020 from the City Gas Distribution companies and has issued public notice dated November 5, 2020, extending MWP timeline due to COVID-19 lockdown for various Geographical areas, where extension of 251 days for Raigad was granted. The company has appraised PNGRB vide letter dated February 9, 2021 with ground level challenges faced in Raigad and has requested for extension up to March 2022. The management is of the view that it will be able to achieve the inch km targets as per timelines submitted and that the penalty can be avoided. Accordingly, no provision is deemed necessary in relation to the bank guarantee issued to the PNGRB at this stage.
5. GAIL (India) Limited (GAIL) raised demand in April 2014 for additional transportation tariff pursuant to demand on them by Oil and Natural Gas Corporation Limited (ONGC), based on the Petroleum and Natural Gas Regulatory Board (PNGRB) order dated 30.12.2013, determining tariff for ONGC's Uran Trombay pipeline (UTPL) as a common carrier. The Company disputed the demand with GAIL based on contractual provisions and since the transportation charges are to be paid by a third-party user for utilisation of UTPL to ONGC as common carrier and not for transportation of its own gas by ONGC.

Complaint was filed with the PNGRB in February 2015. It was dismissed in October 2015. The writ petition was filed in November 2015 with the High Court of Delhi. The Court advised to appeal before Appellate Tribunal for Electricity (APTEL) being Appellate Authority of the PNGRB in November 2016. The matter was heard by APTEL and remanded back to the PNGRB on technical grounds in September 2019. PNGRB on 18 March 2020 had passed an Order through which it directed MGL and GAIL to pay to ONGC. MGL filed its Appeal before APTEL on 20th April 2020 during lockdown. The matter was heard by APTEL on 9th October 2020. APTEL has recently passed judgement on 16 July 2021. The matter stands remanded back to PNGRB for proper adjudication.

Total demand from November 2008 till June 2021 is ₹330.48 Crores (including ₹223.32 Crores covered in the case filed with APTEL and ₹107.16 Crores demand received subsequently). Based on the legal opinion, the Company believes that it has a strong case and does not expect any outflow of resources. Hence, no provision has been made.



6. The last settlement on trade discount with the Oil Marketing Companies (OMCs) was done in June 2018. Thereafter, there was no written response from OMCs till July 2020 in spite of follow up by the Company. OMCs vide letters dated August 27, 2020 and October 05, 2020, have communicated that trade discount revision was not undertaken by OMC pending De Novo study, which OMC had entrusted to a third party. Post completion of such study, OMCs have communicated the revised trade discount they wish to make applicable to various geographies (Metro and other class of cities) as per the recommendation of the aforesaid study, without sharing the details of the report.

Subsequently de novo study report has been shared on 24th November 2020. As per letter No. L-16019/2/2019-GP-I dated July 31, 2019 issued by Ministry of Petroleum & Natural Gas (MOPNG) addressed to OMCs and GAIL, a consultative process was to be undertaken with City Gas Distribution (CGD) companies to finalize trade discount after completing de novo study. However, no consultation was held with the Company during or after De Novo Study.

The Company had replied to OMC vide letters dated September 04, 2020 and October 26, 2020, that any unilaterally determined high trade discount is not acceptable. In January 2021, Ministry of Petroleum & Natural Gas was appraised by many CGD companies in a joint virtual meeting. On 29th June 2021, MOPNG called for virtual meeting with few CGD entities, including MGL and has sought further inputs from the CGDs. Pending consultation / negotiation, any additional liability cannot be quantified and continues to be considered as contingent liability.

7. The Company's operations were impacted due to 2nd wave of COVID 19 in April 2021, resulting in reduction of sales volumes (except for sales volumes in household gas consumption mainly used for cooking requirements) due to lockdown advised by the State and/or Central government.

With respect to take or pay contract arising out of purchase of Non-APM gas, Company has considered force majeure clause in view of COVID-19 being declared as a pandemic and thereby does not foresee any obligation arising out of such contract. Further in assessing the recoverability of carrying amounts of Company's assets such as Investments, loans / advances, trade receivables, inventories etc., the Company has considered various internal and external information up to the date of approval of these financial statements and concluded that they are recoverable based on the cash flow projections.

8. The figures of the last quarter ended 31st March 2021 are the balancing figures between audited figures in respect of the full financial year up to 31st March 2021 and the unaudited year-to-date published figures up to 31st December 2020 being the date of the end of the third quarter of the financial year which were subjected to limited review.

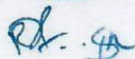
9. As on June 30, 2021, position of three independent directors including women Independent Director is vacant and the Company is in the process of filling the vacant positions.

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


Sanjib Datta
Managing Director

Place: Mumbai
Date: July 28, 2021







MAHANAGAR GAS LIMITED
PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER

| Particulars | UOM | For the quarter ended June 30, 2021 | For the quarter ended March 31, 2021 | % Increase / (Decrease) |
|---|--------------------|--|---|----------------------------|
| SALES VOLUMES: | | | | |
| CNG | SCM Million | 141.11 | 182.14 | -22.53% |
| PNG - Domestic | SCM Million | 42.57 | 41.10 | 3.57% |
| PNG – Industry / Commercial | SCM Million | 34.57 | 37.01 | -6.59% |
| PNG - TOTAL | SCM Million | 77.14 | 78.11 | -1.24% |
| TOTAL VOLUMES | SCM Million | 218.25 | 260.25 | -16.14% |
| TOTAL VOLUMES | MMSCMD | 2.398 | 2.892 | -17.06% |
| NET REVENUE FROM OPERATIONS : | | | | |
| Net Sales | | | | |
| CNG (Net of Excise Duty) | Rs. Crores | 353.70 | 463.25 | -23.65% |
| PNG | Rs. Crores | 254.74 | 246.69 | 3.26% |
| Traded Items | Rs. Crores | 1.33 | 1.46 | |
| Total Sales | Rs. Crores | 609.77 | 711.40 | -14.29% |
| Other Operating Income | Rs. Crores | 5.72 | 6.26 | -8.63% |
| TOTAL NET REVENUE FROM OPERATIONS | Rs. Crores | 615.49 | 717.66 | -14.24% |
| REVENUE FROM OPERATIONS (Gross) | Rs. Crores | 666.85 | 784.04 | -14.95% |
| Less: Excise Duty | Rs. Crores | 51.36 | 66.38 | -22.62% |
| REVENUE FROM OPERATIONS (Net) | Rs. Crores | 615.49 | 717.66 | -14.24% |
| EBIDTA | Rs. Crores | 303.99 | 316.16 | -3.85% |
| % of EBIDTA to Net Revenue from Operation | % | 49.39% | 44.05% | |
| NET PROFIT (after tax) | Rs. Crores | 204.08 | 212.77 | -4.08% |
| % of PAT to Net Revenue from Operation | % | 33.16% | 29.65% | |
| EARNINGS PER SHARE | Rs. | 20.66 | 21.54 | -4.08% |

Note: The Company's operations were impacted by the second wave of Covid-19 during the quarter ended June 2021, resulting in decrease of sales volumes.

MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE QUARTER ENDED JUNE 30, 2021 V/S JUNE 30, 2020

| Particulars | UOM | For the quarter ended June 30, 2021 | For the quarter ended June 30, 2020 | % Increase / (Decrease) |
|---|--------------------|-------------------------------------|-------------------------------------|-------------------------|
| SALES VOLUMES: | | | | |
| CNG | SCM Million | 141.11 | 43.70 | 222.88% |
| PNG - Domestic | SCM Million | 42.57 | 39.00 | 9.14% |
| PNG – Industry / Commercial | SCM Million | 34.57 | 18.59 | 85.97% |
| PNG - TOTAL | SCM Million | 77.14 | 57.59 | 33.94% |
| TOTAL VOLUMES | SCM Million | 218.25 | 101.30 | 115.46% |
| TOTAL VOLUMES | MMSCMD | 2.398 | 1.113 | 115.46% |
| NET REVENUE FROM OPERATIONS : | | | | |
| Net Sales | | | | |
| CNG (Net of Excise Duty) | Rs. Crores | 353.70 | 110.64 | 219.69% |
| PNG | Rs. Crores | 254.74 | 148.84 | 71.15% |
| Traded Items | Rs. Crores | 1.33 | 0.56 | |
| Total Sales | Rs. Crores | 609.77 | 260.04 | 134.49% |
| Other Operating Income | Rs. Crores | 5.72 | 1.71 | 234.50% |
| TOTAL NET REVENUE FROM OPERATIONS | Rs. Crores | 615.49 | 261.75 | 135.14% |
| REVENUE FROM OPERATIONS (Gross) | Rs. Crores | 666.85 | 277.47 | 140.33% |
| Less: Excise Duty | Rs. Crores | 51.36 | 15.72 | 226.71% |
| REVENUE FROM OPERATIONS (Net) | Rs. Crores | 615.49 | 261.75 | 135.15% |
| EBIDTA | Rs. Crores | 303.99 | 79.99 | 280.04% |
| % of EBIDTA to Net Revenue from Operation | % | 49.39% | 30.56% | |
| NET PROFIT (after tax) | Rs. Crores | 204.08 | 45.25 | 351.01% |
| % of PAT to Net Revenue from Operation | % | 33.16% | 17.29% | |
| EARNINGS PER SHARE | Rs. | 20.66 | 4.58 | 351.01% |

Note: Due to lockdown, during the current quarter operations were impacted mainly in the month of April 2021, whereas in corresponding quarter of previous year operations were impacted almost for full quarter.