



# MAHANAGAR GAS LIMITED

Ref: MGL/CS/SE/Q3/2020-21/371

Date: February 09, 2021

To,

<b>Head, Listing Compliance Department BSE Limited</b> P. J. Towers, Dalal Street, Mumbai - 400 001 Scrip Code/Symbol: <u>539957; MGL</u>	<b>Head, Listing Compliance Department National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra -Kurla Complex, Bandra (East), Mumbai - 400051 Script Symbol: <u>MGL</u>
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**Sub: Submission of Unaudited Financial Results along with the Limited Review Report for the quarter ended December 31, 2020**

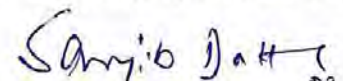
Dear Sir/Madam,


Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Unaudited Financial Results for the quarter and nine months ended December 31, 2020 along with Limited Review Report thereon as reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 09, 2021. Performance indicators being shared with the Analyst/ Institutional Investors for the said period are also enclosed herewith.

We request you to take above on your records.

Thanking you,

For Mahanagar Gas Limited

  
Sanjib Datta  
Managing Director

 DIN: 07008785



Encl.: a/a



**MAHANAGAR GAS LIMITED**

CIN : L40200MH1995PLC088133

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

**Part - I : Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2020**

(₹ in Crore)

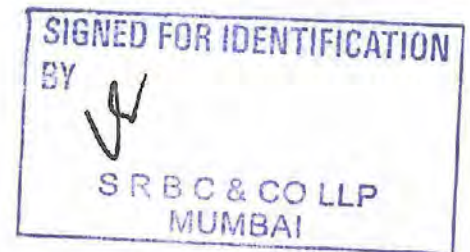
Sr. No.	Particulars	For three months ended			For nine months ended		For the year ended 31.03.2020
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
I	Revenue from Operations	727.33	548.95	819.07	1,553.75	2,511.81	3,264.49
II	Other Income	20.39	18.43	28.57	63.34	71.89	98.95
III	<b>Total Income (I + II)</b>	<b>747.72</b>	<b>567.38</b>	<b>847.64</b>	<b>1,617.09</b>	<b>2,583.70</b>	<b>3,363.44</b>
IV	Expenses :						
	Cost of Natural Gas and Traded Items	214.40	177.13	354.23	490.24	1,080.98	1,379.49
	Changes in Inventories	0.02	(0.07)	0.08	0.06	0.03	0.05
	Excise Duty	60.93	42.22	74.57	118.88	226.24	292.36
	Employee Benefits Expense	19.91	24.81	19.18	69.36	62.71	80.63
	Finance Costs	1.72	2.03	1.62	5.27	4.44	6.53
	Depreciation and Amortisation Expenses	44.12	42.46	41.45	128.84	117.73	161.73
	Other Expenses	115.35	83.77	112.15	257.41	332.75	459.12
	<b>Total Expenses</b>	<b>456.45</b>	<b>372.35</b>	<b>603.28</b>	<b>1,070.06</b>	<b>1,824.88</b>	<b>2,379.91</b>
V	<b>Profit Before Tax for the period(III- IV)</b>	<b>291.27</b>	<b>195.03</b>	<b>244.36</b>	<b>547.03</b>	<b>758.82</b>	<b>983.53</b>
VI	Income Tax Expense : (refer Note 9)						
	(i) Current Tax	69.73	48.54	53.03	132.80	175.42	233.10
	(ii) Deferred Tax	4.33	2.15	5.28	7.42	(43.52)	(43.07)
	<b>Total Income Tax Expense (i+ii)</b>	<b>74.06</b>	<b>50.69</b>	<b>58.31</b>	<b>140.22</b>	<b>131.90</b>	<b>190.03</b>
VII	<b>Profit After Tax for the period(V - VI)</b>	<b>217.21</b>	<b>144.34</b>	<b>186.05</b>	<b>406.81</b>	<b>626.92</b>	<b>793.50</b>
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss :						
	Gains/(Losses) on Remeasurements of the Defined Benefit Plans	(0.57)	(0.42)	(1.24)	(1.72)	(3.72)	(2.90)
	Income tax relating to items that will not be reclassified to profit or loss	0.14	0.11	0.31	0.43	1.56	1.35
	<b>Total Other Comprehensive Income</b>	<b>(0.43)</b>	<b>(0.31)</b>	<b>(0.93)</b>	<b>(1.29)</b>	<b>(2.16)</b>	<b>(1.55)</b>
IX	<b>Total Comprehensive Income for the period (VII + VIII)</b>	<b>216.78</b>	<b>144.03</b>	<b>185.12</b>	<b>405.52</b>	<b>624.76</b>	<b>791.95</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	2,853.89
XI	Earnings per equity share (EPS) (Face value of ₹ 10/- each)						
	Basic (₹)*	21.99	14.61	18.84	41.18	63.47	80.33
	Diluted (₹)*	21.99	14.61	18.84	41.18	63.47	80.33
	* Not annualised for the interim periods						

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

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

*Sanjib Datta*  
Sanjib Datta  
Managing Director

Place : Mumbai  
Date : February 09, 2021

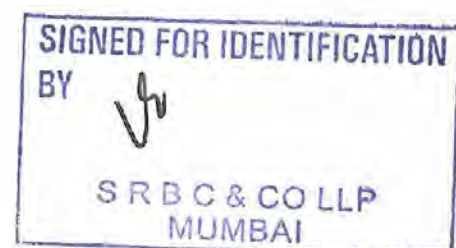




**Notes:**

1. The above financial results is 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 February 09, 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 Petroleum and Natural Gas Regulatory Board (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) for which the Company had submitted Performance Bank Guarantee of ₹105.20 Crore dated March 19, 2015. PNGRB had issued a show cause notice dated July 23, 2018 for shortfall in achieving the periodic MWP targets. The company had submitted its revised catch up plan till March 31, 2020. The PNGRB asked MGL to submit an aggressive catch-up plan (quarter wise) for next two years duly approved by Board of Directors of MGL which was submitted by MGL on November 15, 2019. As at 31st March 2020, the Company has achieved cumulative number of Domestic connections as per MWP and cumulative Inch-Km target as per revised catch-up plan dated November 15, 2019 for period up to March 31, 2020.  
Due to outbreak of COVID-19, the company vide letter dated April 30, 2020 requested PNGRB to extend the timeline for achieving the MWP of Inch-Kms by six months, up to March 31, 2022. The PNGRB has issued public notice dated November 5, 2020, extending MWP timeline due to Covid 19 lockdown for various Geographical areas, which includes 251 days for Raigad. The management is of the view that it will be able to achieve the inch km targets as per the extended timelines and 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. The complaint was subsequently filed with the PNGRB in February 2015 which was dismissed in October 2015. The writ petition was then filed in November 2015 with the High Court of Delhi and the Court advised to appeal before Appellate Tribunal for Electricity (APTEL) in November 2016. The matter is currently pending before the APTEL. The total demand from November 2008 till December 2020 is ₹293.64 Crore (including ₹223.32 Crore covered in the case filed with APTEL and ₹70.32 Crore 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 24<sup>th</sup> 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.





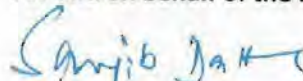
The Company had replied to DMC vide letters dated September 04, 2020 and October 26, 2020, that any unilaterally determined high trade discount is not acceptable. In January 2021, Ministry of Petroleum & Natural Gas was appraised by many CGD companies in a joint virtual meeting. Pending consultation / negotiation, any additional liability cannot be quantified and continues to be considered as contingent liability.

7. On March 11, 2020, the World Health Organization characterised the outbreak of a strain of novel coronavirus ("COVID-19") as a pandemic. Due to nationwide lockdown since last week of March the Company's sales volumes were impacted adversely (except sales volume of household gas consumed in kitchens). In the current quarter, daily sales volumes have almost reached to normal volumes recorded in pre lockdown period and has been picking up.

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 results and concluded that the assets are recoverable based on the cash flow projections and no provisions are deemed necessary for any future potential liabilities. With respect to potential future liability for take or pay contracts for purchase of gas, no liability is expected by management in view of pandemic being declared as force majeure event by government. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.
9. The Company had adopted the option for concessional tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from the quarter ended September 30, 2019. Therefore, income tax expenses for the nine months ended December 31, 2020 is not comparable to the corresponding periods presented in the above results.
10. The Board of Directors at their meeting held on February 09, 2021, has declared an interim dividend of ₹ 9.00 per share i.e. 90% on the face value of ₹ 10 per share. The Company has fixed February 22, 2021 as record date for ascertaining the eligible shareholders for payment of interim dividend.

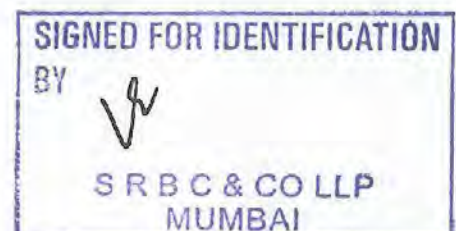
**For and on behalf of the Board of Directors of Mahanagar Gas Limited**



**Sanjib Datta**  
**Managing Director**

**Place: Mumbai**

**Date: February 09, 2021**





**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 December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (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: 21105938AAAAAR5626  
Place: Mumbai  
Date: February 09, 2021





MAHANAGAR GAS LIMITED

PERFORMANCE FOR THE NINE MONTHS ENDED DECEMBER 31, 2020 V/S DECEMBER 31, 2019

Particulars	UOM	For the nine months ended December 31, 2020	For the nine months ended December 31, 2019	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	334.37	604.15	-44.66%
PNG - Domestic	SCM Million	128.42	109.35	17.44%
PNG – Industry / Commercial	SCM Million	84.12	113.31	-25.76%
PNG - TOTAL	SCM Million	212.54	222.66	-4.54%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>546.91</b>	<b>826.81</b>	<b>-33.85%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>1.989</b>	<b>3.007</b>	<b>-33.85%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	833.72	1,587.85	-47.49%
PNG	Rs. Crores	588.53	677.72	-13.16%
Traded Items	Rs. Crores	2.34	4.33	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>1,424.59</b>	<b>2,269.90</b>	<b>-37.24%</b>
Other Operating Income	Rs. Crores	10.28	15.68	-34.44%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>1,434.87</b>	<b>2,285.58</b>	<b>-37.22%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	1,553.75	2,511.81	-38.14%
Less: Excise Duty	Rs. Crores	118.88	226.23	-47.45%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>1,434.87</b>	<b>2,285.58</b>	<b>-37.22%</b>
EBIDTA	Rs. Crores	617.80	809.10	-23.64%
% of EBIDTA to Net Revenue from Operation	%	43.06%	35.40%	
NET PROFIT (after tax)	Rs. Crores	406.81	626.92	-35.11%
% of PAT to Net Revenue from Operation	%	28.35%	27.43%	
EARNINGS PER SHARE	Rs.	41.18	63.47	-35.11%

Note: The Company's operations were impacted during the year, resulting in reduction of sales volumes due to nationwide lockdown imposed by the Government of India in view of COVID-19.

*[Handwritten Signature]*



MAHANAGAR GAS LIMITED

PERFORMANCE CURRENT QUARTER V/S PREVIOUS QUARTER

Particulars	UOM	For the Three months ended December 31, 2020	For the Three months ended September 30, 2020	% Increase / (Decrease)
<b>SALES VOLUMES:</b>				
CNG	SCM Million	173.26	117.40	47.58%
PNG - Domestic	SCM Million	46.82	42.60	9.89%
PNG – Industry / Commercial	SCM Million	34.80	30.73	13.23%
PNG - TOTAL	SCM Million	81.61	73.33	11.29%
<b>TOTAL VOLUMES</b>	<b>SCM Million</b>	<b>254.88</b>	<b>190.74</b>	<b>33.63%</b>
<b>TOTAL VOLUMES</b>	<b>MMSCMD</b>	<b>2.770</b>	<b>2.073</b>	<b>33.63%</b>
<b>NET REVENUE FROM OPERATIONS :</b>				
<b>Net Sales</b>				
CNG (Net of Excise Duty)	Rs. Crores	426.79	296.29	44.04%
PNG	Rs. Crores	233.60	206.09	13.35%
Traded Items	Rs. Crores	0.86	0.92	
<b>Total Sales</b>	<b>Rs. Crores</b>	<b>661.25</b>	<b>503.30</b>	<b>31.38%</b>
Other Operating Income	Rs. Crores	5.15	3.43	50.15%
<b>TOTAL NET REVENUE FROM OPERATIONS</b>	<b>Rs. Crores</b>	<b>666.40</b>	<b>506.73</b>	<b>31.51%</b>
REVENUE FROM OPERATIONS (Gross)	Rs. Crores	727.33	548.95	32.49%
Less: Excise Duty	Rs. Crores	60.93	42.22	44.33%
<b>REVENUE FROM OPERATIONS (Net)</b>	<b>Rs. Crores</b>	<b>666.40</b>	<b>506.73</b>	<b>31.51%</b>
EBIDTA	Rs. Crores	316.72	221.09	43.25%
% of EBIDTA to Net Revenue from Operation	%	47.53%	43.63%	
NET PROFIT (after tax)	Rs. Crores	217.21	144.34	50.48%
% of PAT to Net Revenue from Operation	%	32.59%	28.48%	
EARNINGS PER SHARE	Rs.	21.99	14.61	50.48%

Note: The Company's operations were improved during the quarter ended December 2020, resulting in increase of sales volumes due to easing of lockdown.

*[Handwritten Signature]*

